

ORDINANCE NO. 1275

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI
AUTHORIZING THE ISSUANCE OF PUBLIC POWER REVENUE
REFUNDING BONDS BY NORTHERN CALIFORNIA POWER AGENCY

WHEREAS, pursuant to the provisions of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, as amended (the "Joint Powers Act"), the City of Lodi and certain other public agencies created pursuant to the laws of the State of California (collectively, the "Members"), have entered into a Joint Powers Agreement, as amended (the "Agreement"), creating the Northern California Power Agency (the "Agency"), a public entity separate and apart from the Members; and

WHEREAS, in accordance with the Agreement and the Joint Powers Act, the Agency has entered or will enter into agreements to acquire and construct (or to cause and to be acquired and constructed) a project for the generation and transmission of electric energy consisting of certain geothermal generating units (known as Geothermal Project Number 2) and related facilities, and capital improvements thereto that may be constructed from time to time, and interests in certain other property and rights relating thereto ("Project Number 2"); and

WHEREAS, the Agency has heretofore issued its \$40,000,000 Public Power Revenue Bonds, 1981 Series A, and its \$15,000,000 Public Power Revenue Bonds, 1982 Series A, and has assigned to the Bank of Montreal (California) (the "Bank") its rights to receive certain payments under the member agreement relating to Project Number 2, to secure the obligation of the Northern California Municipal Power Corporation No. Two (the "Corporation") to the Bank under a Loan Agreement wherein the Corporation has borrowed the amount of \$45,000,000 from the Bank, such loan guaranteed by the United States Department of Energy, all to finance a portion of the costs of construction and acquisition of Project Number 2 (together, the "Outstanding Indebtedness"); and

WHEREAS, the Agency is considering the construction of an additional project for the generation and transmission of electric energy consisting of two 55 megawatt geothermal generating units and related facilities, including transmission, proposed to be constructed in Sonoma and Lake Counties, State of California, and capital improvements thereto that may be constructed from time to time, and interests in certain other property and rights relating thereto ("Project Number 3"); and

WHEREAS, the Agency proposes to issue, in accordance with the Agreement and the Joint Powers Act, from time to time, in one or more installments, its revenue refunding bonds and evidences of indebtedness (including refunding bonds) ("Public Power Revenue Refunding Bonds") to be outstanding at any one time in accordance with their terms in the estimated maximum aggregate principal amount of \$125,000,000 for the purpose of providing funds for the refinancing of all or a portion of the Outstanding Indebtedness; and

WHEREAS, notwithstanding the aforesaid estimated maximum aggregate principal amount of Public Power Revenue Refunding Bonds proposed to be issued by the Agency for the Project and to be outstanding at any one time in accordance with their terms, additional Public Power Revenue Refunding Bonds may be required to complete the refinancing of all or a portion of the Outstanding Indebtedness; and

WHEREAS, the Agency has entered or will enter into one or more agreements (the "Member Agreements") with certain entities (including two or more of the

Members"), pursuant to which the entities entering into such Member Agreements with the Agency (the "Participants") will, in the aggregate, purchase options and/or rights to purchase and/or receive 100% of the capacity and energy of Project Number 2, and, if so determined by the Agency, Project Number 3; and

WHEREAS, the Public Power Revenue Refunding Bonds are to be payable from funds held in trust for the benefit of the holders of such Bonds and from revenues of the Agency from Project Number 2, and, if so determined by the Agency, Project Number 3, including payments to be made by the Participants under the Member Agreements; and

WHEREAS, in accordance with the Joint Powers Act, the exercise by the Agency of its power to issue the Public Power Revenue Refunding Bonds is subject to the authorization of such issuance by the Members pursuant to Ordinance; and

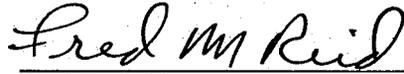
WHEREAS, neither the payment of principal of the Public Power Revenue Refunding Bonds nor any part thereof nor interest thereon shall constitute a debt, liability or obligation of the City of Lodi; nor does this Ordinance commit the City of Lodi to take or pay for any capacity or energy of the Project.

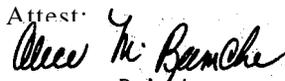
NOW, THEREFORE, the City Council of the City of Lodi does ordain as follows:

1. The issuance and sale by the Agency, from time to time, in one or more installments, of its Public Power Revenue Refunding Bonds outstanding at any one time in accordance with their terms in a maximum aggregate principal amount of \$125,000,000 is hereby authorized. Notwithstanding such maximum aggregate principal amount, the Agency is hereby authorized to issue additional principal amounts of its Public Power Revenue Refunding Bonds if and to the extent required to complete the refinancing of the Project. The proceeds from the sale of the Public Power Revenue Refunding Bonds hereby authorized are to be used for the refinancing of all or a portion of the Outstanding Indebtedness, including interest on such Bonds, deposits to reserves, all expenses incident to the calling retiring, or payment of any or all of the Outstanding Indebtedness, including the costs of issuing such Bonds and any premium necessary in the calling or retiring of the Outstanding Indebtedness. The Public Power Revenue Refunding Bonds hereby authorized, and premium and interest thereon, are to be payable from, and secured by, funds held in trust for the benefit of the holders of Public Power Revenue Refunding Bonds and from revenues of the Agency from Project Number 2, and, if so determined by the Agency, Project Number 3, including payments received by the Agency from the Participants under the Member Agreements.
2. Pursuant to Section 6547 of the Joint Powers Act, this Ordinance is subject to the provisions for referendum prescribed by Section 3751.7 of the Elections Code of the State of California.
3. The City Clerk shall certify to the enactment of this Ordinance and shall cause notice of the same to be published in accordance with Section 6040.1 of the Government Code of the State of California.

4. Sixty (60) days from and after its enactment, this Ordinance shall take effect and be in full force, in the manner provided by law.

THE FOREGOING ORDINANCE is approved, enacted and adopted by the City Council of the City of Lodi, this 27th day of October, 1982.


Fred M. Reid
Mayor

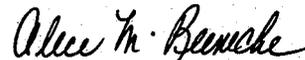
Attest:

Reimche
Alice M. Reimche
City Clerk

State of California
County of San Joaquin, ss.

I, Alice M. Reimche, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1275 was introduced at a regular meeting of the City Council of the City of Lodi, held October 6, 1982 and was thereafter passed, adopted and ordered to print at an ajourned regular meeting of said Council held October 27, 1982 by the following vote:

Ayes : Council Members - Murphy, Olson, Snider,
Pinkerton, and Reid (Mayor)
Noes: Council Members - None
Absent: Council Members - None
Abstain : Council Members - None

I further certify that Ordinance No. 1275 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.


ALICE M. REIMCHE
City Clerk

Approved as to form


Ron M. Stein
City Attorney

NOTICE OF ORDINANCE SUBJECT TO REFERENDUM
CITY OF LODI
ORDINANCE NO. 1275
ADOPTED BY THE CITY COUNCIL OF THE CITY OF LODI
ON OCTOBER 27, 1982

Notice is hereby given that at an adjourned regular meeting of the City Council of the City of Lodi (the "City Council"), held on October 27, 1982, Ordinance No. 1275 (the "Ordinance") was adopted. The title and a summary of the Ordinance are set forth below. The Ordinance is subject to referendum, as discussed below.

Title

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI AUTHORIZING THE
ISSUANCE OF PUBLIC POWER REVENUE REFUNDING BONDS BY NORTHERN CALIFORNIA POWER
AGENCY

Summary

Pursuant to the Ordinance, the City Council has authorized the issuance and sale by Northern California Power Agency (the "Agency") of its revenue refunding bonds and evidences of indebtedness ("Public Power Revenue Refunding Bonds"), to mature on or before December 31, 2023 to be issued, from time to time, in one or more installments, in an estimate aggregate principal amount outstanding at any one time in accordance with their terms of \$125,000,000 and to bear interest at a probable overall rate of 13% per annum. The actual interest rates on each installment of such Public Power Revenue Refunding Bonds or the method of determining such rates will be determined by the Commission of the Agency in accordance with law at the time of issuance of such installment. Notwithstanding such maximum aggregate principal amounts of Public Power Revenue Refunding Bonds, the Agency is authorized, pursuant to the Ordinance, to issue additional principal amounts of its Public Power Revenue Refunding Bonds if and to the extent required to complete the financing of the Project discussed below.

The Agency was created pursuant to a Joint Powers Agreement, as amended (the "Agreement"), heretofore entered into between the City of Lodi and certain other public agencies created pursuant to the laws of the State of California (collectively, the "Members") pursuant to the provisions of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, as amended (the "Joint Powers Act"). The Agency is a public entity separate and apart from the Members. The Agency, in accordance with the Joint Powers Act and the Agreement, has entered or will enter into agreements to acquire and construct (or cause to be acquired and constructed) a project for the generation and transmission of electric energy consisting of certain geothermal generating units (known as Geothermal Project Number 2) and related facilities, and capital improvements thereto that may be constructed from time to time, and interests in certain other property and rights relating thereto ("Project Number 2"). The Agency has heretofore issued its \$40,000,000 Public Power Revenue Bonds, 1981 Series A, and its \$15,000,000 Public Power Revenue Bonds, 1982 Series A, and has assigned to the Bank of Montral (California) (the "Bank") its rights to receive certain payments under the member agreement relating to Project Number 2, to secure the obligation of the Northern California Municipal Power Corporation No. Two (the "Corporation") to the Bank under a Loan Agreement wherein the Corporation has borrowed the amount of \$45,000,000 from the Bank, such loan guaranteed by the

United States Department of Energy, all to finance a portion of the costs of construction and acquisition of Project Number 2 (together, the "Outstanding Indebtedness"). The Agency is considering the construction of an additional project for the generation and transmission of electric energy consisting of two 55 megawatt geothermal generating units and related facilities, including transmission, proposed to be constructed in Sonoma and Lake Counties, State of California, and capital improvements thereto that may be constructed from time to time, and interests in certain other property and rights relating thereto ("Project Number 3"). The Agency has entered or will enter into one or more agreements (the "Member Agreements") with certain entities (including two or more of the Members), pursuant to which the entities entering into such Member Agreements with the Agency (the "Participants") will, in the aggregate, purchase options and/or rights to purchase and/or receive 100% of the capacity and energy of the Project.

Neither the payment of principal of the Public Power Revenue Refunding Bonds nor any part thereof nor interest thereon will constitute a debt, liability or obligation of the City of Lodi; nor does the Ordinance commit the City of Lodi to take or pay for any capacity or energy of the Project.

THE AGENCY PROPOSES TO ISSUE, IN ACCORDANCE WITH THE AGREEMENT AND THE JOINT POWERS ACT, ITS PUBLIC POWER REVENUE REFUNDING BONDS TO PROVIDE FUNDS FOR THE REFINANCING OF ALL OR A PORTION OF THE OUTSTANDING INDEBTEDNESS. THE PUBLIC POWER REVENUE REFUNDING BONDS ARE TO BE PAYABLE FROM FUNDS HELD IN TRUST FOR THE BENEFIT OF THE HOLDERS OF SUCH BONDS AND FROM REVENUES OF THE AGENCY FROM PROJECT NUMBER 2 AND, IF SO DETERMINED BY THE AGENCY, PROJECT NUMBER 3, INCLUDING PAYMENTS TO BE MADE BY THE PARTICIPANTS UNDER THE MEMBER AGREEMENTS.

THE ORDINANCE AUTHORIZING THE ISSUANCE OF THE PUBLIC POWER REVENUE REFUNDING BONDS IS SUBJECT TO REFERENDUM. UPON PRESENTATION (WITHIN THE TIME PERIOD SPECIFIED BY LAW) OF A PETITION (BEARING SIGNATURES, IN AT LEAST THE NUMBER REQUIRED BY THE LAW) PROTESTING AGAINST THE ADOPTION OF THE ORDINANCE, THE CITY COUNCIL IS REQUIRED TO RECONSIDER THE ORDINANCE. THEREUPON, IF THE CITY COUNCIL DOES NOT ENTIRELY REPEAL THE ORDINANCE, THE ORDINANCE SHALL BE SUBMITTED (UNDER BALLOT WORDING PRESCRIBED BY LAW) TO THE VOIERS AT A REGULAR OR SPECIAL ELECTION AND THE ORDINANCE SHALL NOT BECOME EFFECTIVE UNTIL A MAJORITY OF THE VOIERS VOTING ON THE ORDINANCE VOTE IN FAVOR OF IT. THE FOREGOING DESCRIPTION OF THE PROCEDURES FOR REFERENDUM IS BASED UPON THE APPLICABLE REFERENDUM PROVISIONS OF THE CALIFORNIA ELECTIONS CODE AND THE CALIFORNIA GOVERNMENT CODE. REFERENCE IS MADE TO THE CALIFORNIA ELECTIONS CODE AND THE CALIFORNIA GOVERNMENT CODE FOR A COMPLETE STATEMENT OF SUCH PROVISIONS.