

RESOLUTION NO. 99-107

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY LODI
RELATING TO ELECTRIC SYSTEM REVENUE CERTIFICATES
OF PARTICIPATION; APPROVING THE FORMS OF AND AUTHORIZING THE
EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT,
A CONTINUING DISCLOSURE AGREEMENT, A CERTIFICATE PURCHASE
CONTRACT AND AN OFFICIAL STATEMENT, AND APPROVING THE
DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION
THEREWITH; AND AUTHORIZING CERTAIN OTHER MATTERS
RELATING THERETO**

WHEREAS, the City of Lodi, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), has determined to finance and refinance the costs of certain additions, betterments and improvements to the City's electric system (the "Electric System"), including the acquisition and construction of certain facilities for the transmission and distribution for the Electric System; and

WHEREAS, in order to implement the foregoing, the City and the Lodi Public Improvement Corporation, a non-profit, public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation") propose to execute and enter into an Installment Purchase Contract (the "Installment Purchase Contract"), whereby the Corporation will acquire from the City certain existing improvements (the "Substation Facilities") to the Electric System and whereby the Corporation will sell such Substation Facilities back to the City and will sell certain additional improvements (the "Projects") to the Electric System to be constructed as provided in the Installment Purchase Contract; and

WHEREAS, pursuant to the Installment Purchase Contract, the City will be obligated to make installment payments to the Corporation for the purchase of the Substation Facilities and Projects; and

WHEREAS, the City desires to approve the financing and refinancing of the improvements to the Electric System as provided in the Installment Purchase Contract through the execution and delivery of Electric System Revenue Certificates of Participation, 1999 Series A Current Interest Certificates and Electric System Revenue Certificates of Participation, 1999 Series B Capital Appreciation Certificates (collectively, the "Certificates"), evidencing and representing proportionate interests of the owners thereof in the Installment Payments to be made by the City, pursuant to a Trust Agreement (the "Trust Agreement"), proposed to be executed by the Corporation and such trustee (the "Trustee") as shall be duly appointed by the Corporation; and

WHEREAS, the City proposes to execute and deliver a Certificate Purchase Contract (the "Certificate Purchase Contract") with Salomon Smith Barney Inc. (the "Underwriter"), pursuant to which the Underwriter will purchase the Certificates for reoffering to the public, and to authorize the execution and distribution of a Preliminary Official Statement, an Official Statement, and a Continuing Disclosure Agreement pertaining to the Certificates; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LODI, AS FOLLOWS:

Section 1. The City Council hereby specifically finds and determines that the actions authorized hereby constitute and are with respect to the public affairs of the City and that the statements, findings and determinations of the City set forth above and in the preambles of the documents approved herein are true and correct and that the consummation of the transactions contemplated therein shall result in significant public benefits to the City in that the City expects to improve the efficient operation of the City's Electric System through financing and refinancing of improvement to the Electric System as provided in the Installment Purchase Contract.

Section 2. The Installment Purchase Contract, proposed to be executed and entered into by and between the City and the Corporation, in the form presented at this meeting and on file with the City Clerk, and the performance by the City of its obligations thereunder, are hereby approved, and the City Manager and the Finance Director, each acting singly, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Corporation the Installment Purchase Contract in substantially said form, with such changes therein as the officer executing such document may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the schedule of the installment payments to be contained in the Installment Purchase Contract and to be attached as exhibits thereto shall be determined by the City Manager or the Finance Director of the City upon the sale of the Certificates, but shall not exceed \$45,000,000 in aggregate principal amount, shall provide for installment payments not later than 35 years from the date of delivery of the Certificates, and shall result in a net interest cost not in excess of eight percent per annum.

Section 3. The Certificate Purchase Contract, proposed to be executed and entered into by and between the City and the Underwriter, in the form presented at this meeting and on file with the City Clerk, and the performance of the City of its obligation thereunder, are hereby approved, and the City Manager and the Finance Director, each acting singly, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Underwriter the Purchase Contract in substantially said form, with such changes therein as the officer executing such document may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Preliminary Official Statement, in the form presented at this meeting and on file with the City Clerk, is hereby approved. The City Manager and the Finance Director, each acting singly, are hereby authorized and directed to cause the Preliminary Official Statement to be deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Act of 1934 (the "Rule")

and to be distributed to potential purchasers of the Certificates in substantially the form presented to this meeting with such changes therein as the officer deeming the Preliminary Official Statement final for purposes of the Rule may approve, such approval to be conclusively evidenced by deeming the Preliminary Official Statement final for purposes of the Rule.

Section 5. The preparation and delivery of an Official Statement, and its use by the Underwriter in connection with the offering and sale of the Certificates are hereby approved. The Official Statement shall be substantially in the form of the Preliminary Official Statement with such changes therein as the officer executing the Official Statement may approve, which approval to be conclusively evidenced by such officer's execution and delivery thereof. The City Manager and the Finance Director, each acting singly, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Official Statement and any amendment or supplement thereto contemplated by the Certificate Purchase Contract, in the name and on behalf of the City, and thereupon to cause the final Official Statement and any such amendment or supplement to be delivered to the Underwriter with such execution being conclusive evidence of the approval thereof.

Section 6. The Continuing Disclosure Agreement, proposed to be executed and entered by the City and the Trustee, in the form presented at this meeting and on file with the City Clerk, and the performance by the City of its obligations thereunder, are hereby approved, and the City Manager and the Finance Director, each acting singly, are hereby authorized and directed for and in the name and on behalf of the City to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes therein as the officer executing such document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The City Clerk is hereby authorized and directed to attest the signature of the City Manager or the Finance Director and to affix and attest the seal of the City, as may be required or appropriate, in connection with the execution and delivery of the Certificates and the documents approved by this Resolution.

Section 8. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things (including the negotiating and obtaining of a municipal bond insurance policy or reserve fund surety bond with respect to the Certificates if the City Manager or Finance Director determine that such insurance policy or surety bond will result in savings to the City) and to execute and deliver any and all documents which they may deem necessary or desirable in order to consummate the transactions authorized hereby and to consummate the sale, execution and delivery of the Certificates and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the Installment Purchase Contract, the Continuing Disclosure Agreement, the Certificate Purchase Contract, the Preliminary Official Statement, the Official Statement and the Certificates; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 9. This Resolution shall take effect immediately upon its passage.

Date: July 21, 1999

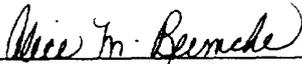
I hereby certify that Resolution 99-107 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 21, 1999 by the following votes:

AYES: COUNCIL MEMBERS – Hitchcock, Mann, Nakanishi and Land (Mayor)

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – Pennino



Alice M. Reimche
City Clerk

Approved As to Form:



Randall A. Hays
City Attorney