

RESOLUTION NO. 99-1

**A RESOLUTION OF THE LODI PUBLIC IMPROVEMENT CORPORATION
RELATING TO ELECTRIC SYSTEM REVENUE CERTIFICATES OF
PARTICIPATION; APPROVING THE FORMS OF AND AUTHORIZING THE
EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT,
A TRUST AGREEMENT AND A CERTIFICATE PURCHASE CONTRACT IN
CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER MATTERS
RELATED 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 the Projects; and

WHEREAS, the Corporation proposes to enter into a Trust Agreement (the "Trust Agreement") providing for 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 the proportionate interests of the owners thereof in the Installment Payments to be made by the City pursuant to the Installment Purchase Contract; 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 Corporation 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 BOARD OF DIRECTORS THE LODI PUBLIC IMPROVEMENT CORPORATION, AS FOLLOWS:

Section 1. The Board of Directors of the Corporation hereby specifically finds and determines it is desirable and furthers the Corporation's public purpose to assist the City in the financing and refinancing of the improvements to the Electric System as provided in the Installment Purchase Contract through the actions authorized hereby and that the statements, findings and determinations of the Corporation set forth above and in the preambles of the documents approved herein are true and correct.

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 Secretary of the Corporation, and the performance by the Corporation of its obligations thereunder, are hereby approved, and the President and the Treasurer of the Corporation, each acting singly, are hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the City the Installment Purchase Contract in substantially said form, with such changes therein as such officer executing such document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Trust Agreement, in the form presented at this meeting and on file with the Secretary of the Corporation, and the performance of by the Corporation of its obligations thereunder, are hereby approved, and the President or the Treasurer of the Corporation, each acting singly, are hereby authorized to appoint a bank or trust company to serve as the Trustee under the Trust Agreement, provided that such Trustee shall meet the qualifications of a successor Trustee set forth in the Trust Agreement; and the President or the Treasurer of the Corporation, each acting singly, are hereby further authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the Trustee the Trust Agreement in substantially said form, with such changes therein as the such officer executing such document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided, that the aggregate principal amount of the Certificates to be executed and delivered thereunder shall not exceed \$45,000,000, the final principal payment date of the Certificates shall be not later than 35 years from their date of delivery, and the net interest cost of the Certificates shall not exceed eight percent per annum.

Section 4. The Secretary of the Corporation is hereby authorized and directed to attest the signatures of the President and the Treasurer of the Corporation, as may be required or appropriate, in connection with the execution and delivery of the Installment Purchase Contract and the Trust Agreement.

Section 5. The officers of the Corporation 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 of the City 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 Trust Agreement, the Certificate Purchase Contract and the Certificates; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 6. This Resolution shall take effect immediately upon its passage.

Dated: July 21, 1999

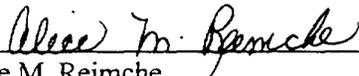
I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 99-1 duly passed and adopted by the Board of Directors of the Lodi Public Improvement Corporation at a meeting thereof duly held on the 21st day of July, 1999, by the following vote of the Directors thereof:

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

NOES: DIRECTORS – None

ABSENT: DIRECTORS – None

ABSTAIN: DIRECTORS – Pennino



Alice M. Reimche
Secretary for the Corporation

Approved As to Form:



Randall A. Hays
Attorney for the Corporation