

RESOLUTION NO. 85-39

RESOLUTION APPROVING THE AGREEMENT FOR SALE OF SURPLUS
CAPACITY AND ENERGY OF THE NORTH FORK STANISLAUS RIVER
HYDROELECTRIC DEVELOPMENT PROJECT

WHEREAS, NCPA and each of the Project Participants have entered into the Third Phase Agreement pursuant to which NCPA has agreed to provide, and each of the Project Participants has agreed to take or cause to be taken, their respective Project Entitlement Percentages of the capacity and energy of the Project; and

WHEREAS, the City of Redding has determined not to participate in the Project; and

WHEREAS, in order to finance the cost of the Project, it is necessary that the aggregate of the Project Entitlement Percentages of all Project Participants willing to participate in the Project equal 100%; and

WHEREAS, in order to permit the financing to proceed, the Purchasing Participants have agreed to take, or cause to be taken, the City of Redding's Project Entitlement Percentage and to that end, each will enter into the Transfer Agreement; and

WHEREAS, Sections 9 and 10 of the Third Phase Agreement authorize each Project Participant, subject to the terms and conditions thereof, to transfer, assign, sell or exchange all or a portion of the surplus Project capacity and energy to which it is entitled; and

WHEREAS, Section 10 of the Third Phase Agreement provides certain terms and conditions to the sale by NCPA of surplus Project capacity and energy; and

WHEREAS, as an inducement to the Purchasing Participants to enter into the Transfer Agreement and to take, or cause to be taken, the Purchased Project Entitlement Percentages, the other Project Participants have determined that, notwithstanding their rights to sell surplus Project capacity and energy under the Third Phase Agreement, to permit any such transfer or sale under a Long Term Power Purchase Contract to be deemed a transfer or sale of the Purchased Project Entitlement Percentages, all on the terms and conditions contained in the Agreement for Sale of Surplus Capacity and Energy of the North Fork Stanislaus River Hydroelectric Development Project (the "Sale Agreement");

WHEREAS, there has been proposed and submitted to this meeting a form of the Sale Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi, as follows:

Section 1. The City Council hereby finds and determines that the terms and conditions of the Sale Agreement in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein be, and the same is hereby, approved.

Section 2. The City is hereby authorized to enter into the Sale Agreement and the Mayor and the City Clerk are hereby authorized to execute and deliver the Sale Agreement by and on behalf of the City with such changes, insertions and omissions as may be approved by the City Council, said execution being conclusive evidence of such approval.

Section 3. The Mayor and City Clerk, and any other proper officer of the City, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Sale Agreement and by this resolution.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LODI, this 6th day of March, 1985, by the following vote:

Ayes: Council Members - Pinkerton, Hinchman, Olson,
Reid, and Snider (Mayor)

Noes: Council Members - None

Absent: Council Members - None

Attest:



Alice M. Reimche
City Clerk