

CITY OF LODI

RESOLUTION NO. 79-180

RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF LODI

APPROVING THE FINANCING BY LODI MEMORIAL HOSPITAL
ASSOCIATION, INC. OF A HOSPITAL PROJECT AS A PROJECT
UNDERTAKEN IN THE BEST INTERESTS OF THE CITY OF LODI AND
NECESSARY AND PROPER FOR MUNICIPAL AND PUBLIC PURPOSES

WHEREAS, this City Council (the "Council") of the City of Lodi, California (the "City"), understands that Lodi Memorial Hospital Association, Inc., a nonprofit corporation organized and existing under the laws of the State of California (the "Hospital"), proposes to issue bonds to provide for the permanent financing of the acquisition and construction of certain facilities of the Hospital (the "Hospital Facilities") to be located in Lodi, California; and

WHEREAS, this Council has been advised that, in order to obtain certain tax advantages for the holders of the bonds of the Hospital to be issued to finance the acquisition and construction of the Hospital Facilities, the Hospital has determined to tender by gift to the City, after all of such bonds have been fully paid, all right, title and interest in the Hospital Facilities and to grant to the City an option to purchase, subject to any

existing encumbrances, the Hospital Facilities at any time, including the occurrence of an Event of a Default (as that term is defined in the Indenture dated as of December 1, 1979 pursuant to which the Hospital proposes to issue the bonds) when the Hospital's bonds are declared due and payable, for a price sufficient to redeem all of such bonds then outstanding (with the proviso that the City shall in no event be obligated to exercise such option); and

WHEREAS, there has been presented to this Council information concerning the acquisition and construction of the Hospital Facilities, the benefits to be realized by the City therefrom and the terms of the offer and sale of the bonds to be issued to finance such transactions; and

WHEREAS, the form of bonds to be issued by the Hospital will clearly state as follows:

The City of Lodi, California, shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the bonds or the performance of any obligation or agreement of any kind whatsoever of the Hospital pertaining thereto, and none of the bonds or of any of the Hospital's agreements or obligations relating thereto shall be construed to constitute an indebtedness of the City of Lodi.

and

WHEREAS, the City has been advised by the law firm of Orrick, Herrington, Rowley & Sutcliffe that the proposed offering of bonds by the Hospital will not constitute a liability of any kind whatsoever of the City;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Lodi that the Council hereby determines that the existence of the Hospital is beneficial to and in the best interests of the City; that the Hospital is engaged in an activity which is essentially public in nature; and that it is in the best interest of the City and necessary and proper for municipal and public purposes for the Hospital to proceed with the proposed financing of the acquisition and construction of the Hospital Facilities by the sale of bonds by the Hospital.

IT IS FURTHER RESOLVED that this Council hereby approves the Hospital and approves the sale of the Series 1979 Bonds to be issued pursuant to the Indenture dated December 1, 1979, at a discount not to exceed one and one half percent (1-1/2%) of the aggregate principal amount of \$8,000,000 of the Series 1979 Bonds and at a rate of interest not to exceed eight and one half percent (8-1/2%).

IT IS FURTHER RESOLVED that this Council hereby declares its present intention to accept, on behalf of the City, the aforementioned gift of the Hospital Facilities at such time as it may be tendered to the City and authorizes any and all appropriate City officials to accept the aforementioned grant of an option to purchase the Hospital Facilities and to accept the aforementioned gift of the Hospital Facilities at such time as each may be tendered to the City.

IT IS FURTHER RESOLVED, that the appropriate City officials are hereby authorized to take any steps necessary or appropriate to carry out the purposes of the foregoing resolutions.

PASSED AND ADOPTED this 5th day of December, 1979 by

the following vote:

AYES: Councilmen - Katnich, McCarty, Pinkerton and
Katzakian

NOES: Councilmen - None

ABSENT: Councilmen - Hughes



ALICE M. REIMCHE
CITY CLERK

CLERK'S CERTIFICATE

I, Alice M. Reimche, City Clerk of the City of Lodi, State of California; do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly and regularly and legally held at the regular meeting place thereof on the 5th day of December, 1979, of which meeting all of the members of said City Council had due notice and at which not less than a majority of the members thereof were present and acted; that at said meeting said resolution was introduced by City Attorney, Ronald M. Stein, and read in full and was thereupon, upon motion of Councilman Pinkerton, seconded by Councilman McCarty, adopted by the following vote:

AYES:	Councilmen - Katnich, McCarty, Pinkerton, and Katzakian
NOES:	Councilmen - None
ABSENT:	Councilmen - Hughes

That I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that said resolution is duly entered of record in the minutes; that the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; that said resolution has not been amended, modified or rescinded since the date of its adoption and that the same is now in full force and effect.

WITNESS my hand and the seal of said City, this 5th day of
December, 1979.



ALICE M. REIMCHE
City Clerk, City of Lodi