

RESOLUTION NO. 2002-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI
RELATING TO CERTIFICATES OF PARTICIPATION (2002 PUBLIC
IMPROVEMENT FINANCING PROJECT); APPROVING THE FORMS OF AND
AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE AND FACILITIES
LEASE, A LEASE AGREEMENT, A TRUST AGREEMENT, A CERTIFICATE
PURCHASE CONTRACT, ESCROW AGREEMENTS, AN OFFICIAL
STATEMENT, AND A CONTINUING DISCLOSURE AGREEMENT, 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 public improvement projects for the benefit of the City and its inhabitants, including, but not limited to, the construction, development, furnishing and equipping of a new police building and jail for the City, a parking garage and a community park and the remodeling of the current City public safety building and such other projects as the City may substitute therefor (the "2002 Project"); 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 a Site and Facilities Lease (the "Site Lease"), whereby the Corporation will lease from the City certain real property and improvements, including, but not limited to, the Lodi City Hall, the Carnegie Forum, the existing public safety building, Fire Stations 2 and 3 and the Hutchins Street Square (as such term is defined in the Site Lease the "Property"); and

WHEREAS, in order to make a portion of the Property available for lease to the Corporation, the City desires to prepay its lease payment obligations (the "Prior Lease Payments") under those two certain lease agreements, each between the Corporation and the City and dated as of October 1, 1995 and as of August 1, 1996, respectively; and

WHEREAS, pursuant to a Lease Agreement (the "Lease"), between the City and the Corporation, the City will lease the Property from the Corporation and will be obligated to make lease payments (the "Lease Payments") to the Corporation as rental for the Property; and

WHEREAS, the City desires to approve the financing of the 2002 Project and the prepayment of the Prior Lease Payments as provided in the Site Lease and the Lease through the execution and delivery of Certificates of Participation (2002 Public Improvement Financing Project) (the "Certificates"), evidencing proportionate interests of the owners thereof in the Lease Payments to be made by the City under the Lease, pursuant to a Trust Agreement (the "Trust Agreement"), proposed to be executed by the City, the Corporation and such trustee (the "Trustee") as shall be duly appointed by the City and 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, and an Official Statement 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 public safety functions and to enhance the City's public facilities through financing the 2002 Project and prepaying the Prior Lease Payments as provided in the Site Lease and the Lease.

Section 2. The Site and Facilities Lease, 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 Site and Facilities Lease 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 3. The Lease Agreement, 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 Lease Agreement 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 Trust Agreement, 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 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 City Manager and the Finance Director, each acting singly, are hereby further authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Corporation and the Trustee the Trust Agreement 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, provided, that the aggregate principal amount of the Certificates to be executed and delivered thereunder shall not exceed \$35,000,000, the final principal payment date of the Certificates shall be not later than 35 years from their date of delivery and the interest component with respect to the Certificates shall not exceed 8%.

Section 5. The Certificate Purchase Contract, in the form presented at this meeting and on file with the City Clerk, and the performance of 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 Underwriter the Certificate 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 Underwriter's discount in connection with the sale of the Certificates shall not exceed 1.5% of the principal amount of the Certificates.

Section 6. The Escrow Deposit and Trust Agreement, dated as of January 1, 2002 (the "1995 Escrow Agreement"), proposed to be executed and entered into by and between the City and BNY Western Trust Company, as trustee (the "1995 Trustee") under that certain trust agreement dated as of October 1, 1995, among the City, the Corporation and the 1995 Trustee, and the Escrow Deposit and Trust Agreement, dated as of January 1, 2002 (the "1996 Escrow Agreement" and together with the 1995 Escrow Agreement, the "Escrow Agreements"), proposed to be executed and entered into by and between the City and BNY Western Trust Company, as trustee (the "1996 Trustee" and together with the 1995 Trustee, the "Prior Trustees") under that certain trust agreement dated as of August 1, 1996, among the City, the Corporation and the 1996 Trustee, in the forms 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 appropriate Prior Trustee the applicable Escrow Agreement 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, however, that nothing in this Resolution shall preclude the combining of the two Escrow Agreements into a single document.

Section 7. 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 and causing the Preliminary Official Statement to be distributed may approve, such approval to be conclusively evidenced by causing the Preliminary Official Statement to be distributed.

Section 8. 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, such 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 9. 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 10. 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 11. 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 Site and Facilities Lease, the Lease Agreement, the Trust Agreement, the Escrow Agreements, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Agreement and the Certificates; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 12. This Resolution shall take effect immediately upon its passage.

Date: January 2, 2002

I hereby certify that Resolution 2002-08 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 2, 2002 by the following votes:

AYES: COUNCIL MEMBERS – Howard, Land, Nakanishi, and Mayor Pennino

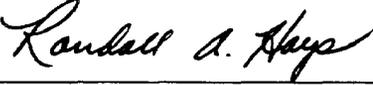
NOES: COUNCIL MEMBERS – Hitchcock

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


Susan Blackston
City Clerk

Approved As to Form:



Randall A. Hays
City Attorney

2002-08