

RESOLUTION NO. 2002-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI
APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND
DELIVERY OF A STANDBY PURCHASE AGREEMENT RELATING TO
ELECTRIC SYSTEM REVENUE VARIABLE RATE DEMAND CERTIFICATES
OF PARTICIPATION, 2002 SERIES A

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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") owns and operates a municipal electric system (the "Electric System"), to provide the City and its inhabitants with electricity; and

WHEREAS, 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 improvements to the Electric System, as more fully described in the Installment Purchase Contract (the "Facilities"), and whereby the Corporation will sell such Facilities back to the City 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 Facilities; and

WHEREAS, the City has approved and authorized the refinancing of the Facilities with the proceeds of the sale of Electric System Revenue Variable Rate Demand Certificates of Participation, 2002 Series A (the "Certificates") evidencing the proportionate interests of the owners thereof in certain installment payments to be made by the City pursuant to the Installment Purchase Contract; and

WHEREAS, the Certificates will be subject to optional and mandatory tender for purchase on the terms and conditions set forth in the Trust Agreement (the "Trust Agreement") pursuant to which the Certificates are to be delivered; and

WHEREAS, the City proposes to execute and deliver a Standby Purchase Agreement (the "Agreement") with BNP Paribas (the "Bank"), pursuant to which the Bank will purchase Certificates tendered or deemed tendered for purchase pursuant to the Trust Agreement and not remarketed.

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

Section 1. The 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 Director of the Electric Utility, 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 Bank the 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 2. The City Clerk is hereby authorized and directed to attest the signature of the City Manager or the Director of the Electric Utility 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 Agreement.

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things 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 otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the Agreement, including without limitation the entry into an agreement to indemnify and reimburse the bond insurer with respect to the Certificates for amounts advanced or incurred by such bond insurer, and the entry into and performance under such agreement are hereby authorized and approved; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 4. This Resolution shall take effect immediately upon its passage.

Date: January 16, 2002

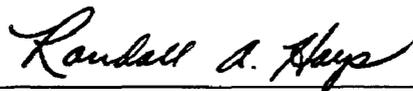
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I hereby certify that Resolution 2002-15 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 16, 2002 by the following votes:

- AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, Nakanishi, and Mayor Pennino
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – None


SUSAN J. BLACKSTON
City Clerk

Approved As to Form:



RANDALL A. HAYS
City Attorney