

RESOLUTION NO. 2012-125

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI
APPROVING DOCUMENTS AND ACTIONS RELATING TO THE
REFINANCING OF 2002 CERTIFICATES OF PARTICIPATION

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WHEREAS, the City of Lodi (the "City"), has previously entered into a Trust Agreement dated as of January 1, 2002, with the Lodi Public Improvement Corporation and U.S. Bank National Association, as successor trustee, under which \$26,745,000 aggregate principal amount of Certificates of Participation (2002 Public Improvement Financing Project) (the "2002 Certificates") were executed and delivered for the purpose of financing and refinancing various municipal facilities of the City; and

WHEREAS, in order to take advantage of prevailing bond market conditions, the City Council wishes to authorize the refinancing of the 2002 Certificates; and

WHEREAS, to that end, the City has proposed to lease the real property constituting its new police building and Carnegie Forum, including land and improvements (the "Leased Property") to the Lodi Public Financing Authority (the "Authority") in consideration of the payment by the Authority of an upfront rental payment which is sufficient to provide funds to refinance the 2002 Certificates; and

WHEREAS, in order to raise funds for such purpose, the Authority proposes to issue and sell its Lodi Public Financing Authority 2012 Refunding Lease Revenue Bonds in the aggregate principal amount of not to exceed \$20,000,000 (the "Refunding Bonds") under Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"); and

WHEREAS, in order to secure the payments of principal of and interest on the Refunding Bonds, the Authority proposes to lease the Leased Property back to the City under a Lease Agreement (the "Lease Agreement"), under which the City is obligated to pay semiannual lease payments as rental for the Leased Property, and the Authority will assign substantially all of its rights under the Lease Agreement to U.S. Bank National Association, as trustee for the Refunding Bonds; and

WHEREAS, the City Council wishes at this time to approve all proceedings to which it is a party relating to the issuance and sale of the Refunding Bonds and the refinancing of the 2002 Certificates.

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

SECTION 1. Issuance of Refunding Bonds. The City Council hereby approves the issuance of the Refunding Bonds by the Authority under the Bond Law in the maximum principal amount of \$20,000,000 for the purpose of providing funds to refinance the 2002 Certificates.

SECTION 2. Approval of Related Financing Agreements. The City Council hereby approves each of the following agreements required for the issuance and sale of the Refunding Bonds and the refinancing of the 2002 Certificates, in substantially the respective forms on file with the City Clerk together with any changes therein or

additions thereto deemed advisable by the City Manager, the Deputy City Manager/Internal Services Director or the City Attorney (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest, the final form of each such agreement, as follows:

- Site Lease, between the City as lessor and the Authority as lessee, under which the City leases the Leased Property to the Authority in consideration of the payment of an amount which will be applied by the City to refinance the 2002 Certificates.
- Lease Agreement, between the Authority as lessor and the City as lessee, under which the Authority leases the Leased Property back to the City and the City agrees to pay semiannual lease payments which are sufficient to provide revenues with which to pay principal of and interest on the Refunding Bonds when due; and
- Escrow Deposit and Trust Agreement, between the City and the successor trustee for the 2002 Certificates, providing the deposit, investment and application of funds to refinance the 2002 Certificates.
- Continuing Disclosure Certificate, to be executed by the City.

SECTION 3. Negotiated Sale of Refunding Bonds. The City Council hereby approves the negotiated sale of the Refunding Bonds by the Authority to JP Morgan and Stifel, Nicolaus & Company, Incorporated dba Stone & Youngberg, a Division of Stifel Nicolaus (collectively, the "Underwriter"). The Refunding Bonds shall be sold pursuant to the terms and provisions of a Bond Purchase Agreement among the Authority, the City and the Underwriter in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer. The Refunding Bonds shall be sold at such price and shall bear interest at such rates as shall produce a minimum net present value savings to the City of at least 3% of the principal amount of the outstanding 2002 Certificates, as such savings shall be verified and conclusively determined by the City's Financial Advisor (the "Minimum Savings Requirement"). The Underwriter's discount shall not exceed 1.0%.

SECTION 4. Official Statement. The City Council hereby approves the preliminary Official Statement describing the Refunding Bonds in substantially the form on file with the City Clerk. The City Manager is hereby authorized and directed to approve any changes in or additions to said preliminary Official Statement and to execute an appropriate certificate stating the City Manager's determination that the preliminary Official Statement (together with any changes therein or additions thereto) has been deemed nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. The City Manager is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by the City Manager shall be conclusive evidence of approval of any such changes and additions. The City Council hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed on behalf of the City by the City Manager.

SECTION 5. Official Actions. The Mayor, the Deputy City Manager/Internal Services Director, the City Attorney, the City Clerk and all other officers of the City are each authorized and directed on behalf of the City to make any and all leases, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance or termination, warrants and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. An Authorized Officer may revise the identity of the Leased Property as necessary in order to accomplish the purposes of this Resolution. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

SECTION 6. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

Dated: August 1, 2012



Mayor

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I hereby certify that Resolution No. 2012-125 was passed and adopted by the City Council of the City of Lodi in a regular/special joint meeting held August 1, 2012, by the following vote:

- AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, Nakanishi, and Mayor Mounce
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL
City Clerk