

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT, BOND PURCHASE CONTRACT, CONTINUING DISCLOSURE CERTIFICATE AND OFFICIAL STATEMENT RELATING TO AN INSTALLMENT PURCHASE FINANCING AND APPROVING CERTAIN ACTIONS IN CONNECTION THEREWITH

The City of Stockton (the “City”) and the former Redevelopment Agency of the City of Stockton entered into a Joint Exercise of Powers Agreement establishing the Stockton Public Financing Authority (the “Authority”), a California joint exercise of powers entity duly organized and existing under and pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (commencing with section 6500), as amended, to provide financial assistance to the City; and

The City and the Authority previously entered into an Installment Purchase Contract, dated as of October 1, 2014, (the “2014 Installment Purchase Contract”), whereby the Authority agreed to sell certain improvements to the City’s wastewater system (the “Prior Projects”) to the City and the City agreed to purchase such improvements from the Authority; and

In connection with the 2014 Installment Purchase Contract, the Authority entered into an Indenture, dated as of October 1, 2014, by and between Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as successor trustee, and the Authority and, in connection therewith, the Authority issued its Wastewater Revenue Refunding Bonds, Series 2014 (1998 Wastewater Project and 2003 Wastewater Project) in the aggregate principal amount of \$69,440,000 (the “2014 Bonds”) in October of 2014; and

The City now desires to refinance the Prior Projects by refunding the obligations of the City under the 2014 Installment Purchase Contract, and the Authority has determined to assist the City in the foregoing by prepaying all of the outstanding 2014 Bonds; and

To provide funds for the refinancing of the Prior Projects, the Authority desires to issue bonds tentatively designated as its Wastewater Revenue Refunding Bonds, Series 2024 (Wastewater Refunding Project) (the “2024 Bonds”); and

The Authority and the City desire to authorize the 2024 Bonds or any portion thereof to be sold in a public offering; and

The Authority and the City desire that the 2024 Bonds may be sold and issued in such series or subseries as may be necessary or desirable to effectuate the foregoing; and

In order to provide for the authentication and delivery of the 2024 Bonds, to establish and declare the terms and conditions upon which the 2024 Bonds are to be issued and secured and to secure the repayment thereof, it is proposed that the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee") enter into an Indenture (the "Indenture"); and

In order to implement the foregoing, the City and the Authority propose to enter into an Installment Purchase Contract (the "Installment Purchase Contract"); and

Under the 2024 Installment Purchase Contract, the City will be obligated to make installment payments to the Authority for the refinancing of the Prior Projects; and

Pursuant to section 5852.1 of the Government Code of the State of California, the City has received certain representations and good faith estimates from Hilltop Securities, LLC, an underwriter of the 2024 Bonds, including an estimate of costs associated with the issuance of the Bonds and the Authority has disclosed such good faith estimates as set forth in Exhibit 1, attached and incorporated by reference; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

Section 1. The method of refinancing the Prior Projects through the issuance by the Authority of the 2024 Bonds in the aggregate principal amount of not to exceed \$32,000,000, is hereby approved. The 2024 Bonds may be sold and issued in such series or subseries as may be necessary or desirable to effectuate the purposes of this resolution.

Section 2. The form of the Indenture (attached as Exhibit 2, incorporated by reference), a copy of which is on file in the office of the City Clerk or his or her designee (the "City Clerk") and submitted to this meeting, is hereby approved. The Authority and the Trustee are hereby authorized and directed to enter into the Indenture as contemplated herein.

Section 3. The form of the Installment Purchase Contract (attached as Exhibit 3, incorporated by reference), a copy of which is on file in the office of the City Clerk and submitted to this meeting, is hereby approved. The Mayor, the City Manager, any Deputy City Manager, and the Chief Financial Officer and the designees of any of them (each, an "Authorized Officer"), each acting alone, are hereby authorized and directed, for and in the name of and on behalf of the City, to execute the Installment Purchase Contract, and the City Clerk is authorized to attest thereto, with such additions and changes therein as the Authorized Officer executing the same shall approve, with the advice of counsel, as being in the best interests of the City, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the installment payments to be contained

in the Installment Purchase Contract shall be determined or approved by the Chief Financial Officer or the designee thereof (the "Chief Financial Officer") upon the sale of the 2024 Bonds, but the principal portions thereof shall not exceed \$32,000,000 in aggregate principal amount and the final installment payments shall be due not later than September 1, 2029.

Section 4. The form of a Bond Purchase Contract (attached as Exhibit 4, incorporated by reference) relating to the sale of the 2024 Bonds (the "Bond Purchase Contract"), among Hilltop Securities Inc., on behalf of itself and as representative (the "Representative") of Oppenheimer & Co. Inc., the underwriters of the 2024 Bonds (the "Underwriters"), the Authority and the City, a copy of which is on file in the office of the City Clerk and submitted to this meeting, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Bond Purchase Contract, and the City Clerk is authorized to attest thereto, with such additions and changes therein as the Authorized Officer executing the same shall approve, with the advice of counsel, as being in the best interests of the City, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the debt service savings achieved from the refunding of the 2014 Bonds shall be at least \$150,000 per year.

Section 5. The form of a preliminary official statement (attached as Exhibit 5, incorporated by reference) relating to the 2024 Bonds (the "Preliminary Official Statement"), a copy of which is on file in the office of the City Clerk and submitted to this meeting, is hereby approved, with such additions and changes as may be approved, with the advice of counsel, by any Authorized Officer. The Authorized Officers, each acting alone, are hereby authorized on behalf of the City to certify to the Underwriters of the 2024 Bonds that the Preliminary Official Statement is deemed "final" for the purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") (except for the omission of certain final pricing, rating and related information as permitted by the Rule). The Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver to the City and the Underwriters or a final Official Statement (the "Official Statement") in substantially the form of the Preliminary Official Statement, with such additions and changes as the Authorized Officer executing the same shall approve, with the advice of counsel, as being in the best interests of the City, such approval to be conclusively evidenced by the execution of said Official Statement. The printing, delivery and distribution of the Preliminary Official Statement and the Official Statement are hereby approved, and the Underwriters of the 2024 Bonds are hereby authorized to distribute copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of the 2024 Bonds and are directed to deliver copies of the Official Statements to all purchasers of the 2024 Bonds.

Section 6. The form of Continuing Disclosure Certificate, a copy of which is attached as an exhibit to the form of Preliminary Official Statement on file in the office of the City Clerk and submitted to this meeting, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name of and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate, and the City Clerk is authorized to attest thereto, with such additions and changes therein as the

Authorized Officer executing the same shall approve, with the advice of counsel, as being in the best interests of the City, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions and execute any and all documents necessary or advisable to arrange for the insuring of all or a portion of the 2024 Bonds or to obtain a debt service reserve fund insurance policy or surety bond, or to obtain any other form of credit enhancement or debt service reserve fund facility, if, upon the advice of the City's municipal advisor, such insurance, surety bond, other credit enhancement or other reserve fund facility will result in a lower true interest cost for the 2024 Bonds.

Section 8. All actions heretofore taken by any officers, employees or agents of the City with respect to the issuance, delivery or sale of the 2024 Bonds, or in connection with or related to any of the documents referenced herein or the refinancing of the Prior Projects, are hereby approved, confirmed and ratified; and the Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents (including but not limited to a Tax Certificate and Agreement and escrow agreement), which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 2024 Bonds and the disbursement of proceeds thereof in accordance with this Resolution.

Section 9. In connection with the 2024 Bonds, the City hereby appoints and retains Del Rio Advisors, LLC as Municipal Advisor and Hawkins Delafield & Wood LLP as Bond Counsel and Disclosure Counsel. Hilltop Securities Inc. is appointed as Representative of the Underwriters and Oppenheimer & Co. Inc. is appointed as co-manager for the 2024 Bonds.

Section 10. This Resolution shall take effect immediately upon its adoption.

The City Manager is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED AND ADOPTED July 9, 2024.

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

KATHERINE ROLAND, CMC, CPMC
Interim City Clerk of the City of Stockton