

RESOLUTION NO.

RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON APPROVING A FORM OF PRELIMINARY OFFICIAL STATEMENT AND CONTINUING DISCLOSURE CERTIFICATE IN CONNECTION WITH THE SALE AND DELIVERY OF ITS TAX ALLOCATION REFUNDING BONDS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Redevelopment Agency of the City of Stockton (the "Former RDA") was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the "Law"), and the powers of such Former RDA included the power to issue bonds, notes, certificates of participation, or other evidence of indebtedness for any of its corporate purposes;

WHEREAS, redevelopment plans for the redevelopment projects known and designated as the "Waterfront Merger Redevelopment Project," the "Midtown Merged Redevelopment Project," the "North Stockton Redevelopment Project," and the "South Stockton Merged Redevelopment Project" were each adopted and approved and all requirements of law for, and precedent to, the adoption and approval of said plans have been duly complied with;

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) ("ABX1 26"), adopted on June 29, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies;

WHEREAS, the City of Stockton (the "City") agreed to serve as the Successor Agency to the Redevelopment Agency of the City of Stockton (referred to herein as the "Successor Agency"), the successor agency to the Former RDA, commencing upon the dissolution of the Former RDA on February 1, 2012 pursuant to ABX1 26;

WHEREAS, on June 27, 2012, as part of the Fiscal Year 2012-13 State of California budget bill, the Governor of California signed into law Assembly Bill 1484 ("AB 1484"), which modified or added to some of the provisions of ABX1 26, including provisions relating to the refunding of outstanding indebtedness of the Former RDA, and the renegotiation of contracts, agreements and other arrangements of the Former RDA to reduce liabilities and increase net revenues to certain taxing entities identified in California Health and Safety Code Section 34171(k);

WHEREAS, Senate Bill No. 107, a follow on bill to ABX1 26 and AB 1484, was enacted on September 22, 2015 and provides additional terms and amendments for operations of a successor agency;

WHEREAS, Health & Safety Code section 34177.5(a) authorizes a successor agency to refund outstanding bonds and other indebtedness of its former redevelopment agency provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance;

WHEREAS, the City was previously a debtor in a bankruptcy case under chapter 9 of Title 11 of the United States Code, Case No. 2012-32118 in the United States Bankruptcy Court for the Eastern District of California, Sacramento Division, styled *In re City of Stockton, California* (the "Bankruptcy Case");

WHEREAS, in connection with the effectiveness of the City's Plan for the Adjustment of Debts of City of Stockton, California, as filed in connection with the Bankruptcy Case and subsequently amended (collectively, the "Plan"), the Successor Agency entered into two settlement agreements (collectively, the "Arena Settlement Agreements"): (i) that certain Forbearance Agreement, dated as of February 25, 2015, by and among the City, the Successor Agency, National Public Finance Guarantee Corporation and Wells Fargo Bank, National Association, as trustee under an indenture relating to certain bonds issued by the City in 2004, and (ii) that certain Amended and Restated Pledge Agreement, dated as of February 25, 2015, by and between the City and the Successor Agency;

WHEREAS, in connection with the effectiveness of the Plan, the City entered into certain settlement agreements with creditors, including, among others, that certain Amended and Restated Stipulation and Settlement Agreement, dated as of July 1, 2014 (the "Ambac Settlement Agreement"), by and among the City, the Stockton Public Financing Authority, Ambac Assurance Corporation and Wells Fargo Bank, National Association, as trustee (the "2003 COPs Trustee") under a trust agreement relating to the Certificates of Participation, (Redevelopment Housing Projects) Series 2003A and Series 2003B, executed and delivered by the 2003 COPs Trustee;

WHEREAS, the Successor Agency has solicited a report of an independent municipal advisor presenting a savings analysis (a copy of which was presented at a prior meeting) and employed such advisor in developing financing proposals for consideration by the Successor Agency and it is understood that such report, as it may be further revised, may be made available to the California Department of Finance at its request;

WHEREAS, there are potential debt service savings that can be achieved through a refinancing of the obligations of the Former RDA identified on Exhibit A attached hereto (collectively, the “Refunded Obligations”);

WHEREAS, the Successor Agency has determined to issue its Successor Agency to the Redevelopment Agency of the City of Stockton 2016 Tax Allocation Refunding Bonds, in one or more series in an aggregate principal amount of not to exceed one hundred thirty million dollars (\$130,000,000), on a federally tax exempt or taxable basis (the “Refunding Bonds”), for the purpose of (i) refunding all or a portion of the Refunded Obligations, (ii) paying the costs of issuing the Refunding Bonds, (iii) funding a reserve account for the Refunding Bonds and (iv) if advisable, paying for the cost of municipal bond insurance and/or a surety to satisfy any applicable reserve account requirement relating to the Refunding Bonds in lieu of funding all or a portion of such reserve account requirement with cash;

WHEREAS, the Official Statement (the “Official Statement”) in preliminary form, a final form of which will be signed by the Successor Agency in connection with the issuance, sale and delivery of the Refunding Bonds, is on file with the Secretary of the Successor Agency; and

WHEREAS, the Successor Agency expects to execute a continuing disclosure certificate in order to assist the underwriter of the Refunding Bonds in satisfying its obligations under Rule 15c2-12 promulgated by the Securities and Exchange Commission, a proposed form of which (the “Continuing Disclosure Certificate”) is on file with the Secretary of the Successor Agency; now, therefore,

THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON DOES HEREBY RESOLVE AS FOLLOWS:

1. Findings. The foregoing recitals are true and correct and incorporated into this Resolution as if fully set forth herein.

2. Acknowledgement of Prior Approval of Issuance of Refunding Bonds. The City acting for the Successor Agency, acknowledges that it adopted a resolution on June 28, 2016, and through such resolution it approved the issuance of the Refunding Bonds and the execution and delivery of related financing documents.

3. Approval of Official Statement and a Preliminary Official Statement. The form of the Official Statement presented at this meeting is approved, and the Successor Agency hereby approves the distribution of a preliminary Official Statement, in substantially said form with such changes, insertions and deletions as may be approved by the Executive Director of the Successor Agency or his or her designee (each an “Authorized Representative”), to prospective purchasers of the Refunding Bonds. The Authorized Representatives are each hereby individually authorized and directed, for and in the name of and on behalf of the Successor Agency, to certify on behalf of the Successor Agency that the preliminary Official Statement is deemed final as of its date, within the meaning of rule 15c2-12 promulgated under the Securities Exchange Act of

1934. The Authorized Representatives are each hereby individually authorized to execute, at the time of sale of the Refunding Bonds, said form of preliminary Official Statement, as revised to including pricing information in the form of a final Official Statement, with such changes therein as the Authorized Representative executing the same may approve and such approval to be conclusively evidenced by the execution and delivery thereof.

4. Approval of Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate presented at this meeting is hereby approved, and the Authorized Representatives are each hereby individually authorized and directed, for and in the name of and on behalf of the Successor Agency, to execute, acknowledge and deliver the Continuing Disclosure Certificate in substantially the form presented at this meeting with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

5. Other Acts. The Authorized Representatives, officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with Orrick, Herrington & Sutcliffe LLP, the Successor Agency's bond counsel, they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Refunding Bonds, to defease and/or refund the outstanding obligations of the Former RDA proposed to be refunded through the issuance of the Refunding Bonds, or otherwise to effectuate the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

6. Effective Date. This Resolution shall take effect from and after the date of its adoption.

PASSED and ADOPTED this 27th Day of September 2016.

ANTHONY SILVA, Chairperson of the
Successor Agency to the Former
Redevelopment Agency of the City of Stockton

ATTESTED:

BONNIE PAIGE, Secretary of the
Successor Agency to the Former
Redevelopment Agency of the City of Stockton

EXHIBIT A

Description of the Refunded Obligations

All Former RDA and Successor Agency obligations relating to the outstanding City of Stockton Certificates of Participation (Redevelopment Housing Projects), Series 2003A and City of Stockton Certificates of Participation (Redevelopment Housing Projects), Taxable Series 2003B, including the Ambac Settlement Agreement

All Former RDA and Successor Agency obligations relating to the outstanding Redevelopment Agency of the City of Stockton Revenue Bonds, Series 2004 (Stockton Events Center—Arena Project), including the Arena Settlement Agreements

All Former RDA and Successor Agency obligations relating to the outstanding Stockton Public Financing Authority Revenue Bonds (Redevelopment Projects), 2006 Series A

All Former RDA and Successor Agency obligations relating to the outstanding Stockton Public Financing Authority Taxable Revenue Bonds (Housing Projects), 2006 Series C

CLERK'S CERTIFICATE

The undersigned City Clerk of the City of Stockton, does hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted by a vote of a majority of the members of the City Council of the City of Stockton as the Successor Agency to the Redevelopment Agency of the City of Stockton (the "Successor Agency") at a regular meeting of the Successor Agency duly and regularly and legally held at the regular meeting place thereof, on _____, 2016, of which meeting all of such members had due notice.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and is in full force and effect.

Dated: _____, 2016

City Clerk of the City of Stockton