

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS, THE EXECUTION OF AN INDENTURE AND A BOND PURCHASE AGREEMENT RELATED TO THE ISSUANCE AND SALE OF BONDS, APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION OF A FINAL OFFICIAL STATEMENT, AUTHORIZING EXECUTION OF AN ACQUISITION AGREEMENT RELATING TO FACILITIES TO BE FINANCED BY THE CITY OF STOCKTON COMMUNITY FACILITIES DISTRICT NO. 2018-1 (ARCH ROAD/NEWCASTLE ROAD), AND APPROVING OTHER MATTERS RELATED THERETO

Pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (being section 53311 *et. seq.* of the California Government Code) (the "Act"), the City may issue bonds for the purpose of financing the construction and acquisition of public capital facilities; and

The City Council (the "City Council") of the City of Stockton (the "City") has determined to issue not to exceed \$4,000,000 principal amount of its Community Facilities District No. 2018-1 (Arch Road/Newcastle Road) Special Tax Bonds, Series 2018 (the "Bonds"); and

There has been submitted to the City Clerk of the City (the "City Clerk") a form of Indenture (the "Indenture") providing for the issuance of the Bonds, attached as Exhibit 1; and

The City Council has carefully considered the terms and conditions of the Indenture; and

The City Council has heretofore appointed Brandis Talman LLC as the underwriter (the "Underwriter") of the Bonds; and

Negotiations with the Underwriter in connection with the sale of the Bonds have resulted in the presentation by the Underwriter to the City Council of a proposed form of bond purchase agreement (the "Purchase Agreement"), attached as Exhibit 2, related to the purchase of the Bonds, complete in all material respects other than the principal amount of the Bonds, the interest rate or rates on the Bonds and other aspects of the Bonds as specified in the Purchase Agreement; and

The City Council has duly considered the terms and conditions of the Purchase Agreement, and has determined that a private sale of the Bonds to the Underwriter in accordance with the Purchase Agreement would result in a lower overall cost to the City; and

There has been submitted to the City Council a draft preliminary official statement related to the Bonds (the "Preliminary Official Statement"), attached as Exhibit 3, and the City Council has duly considered same; and

There has been submitted to the City Council a draft Agreement to Construct and Acquire Public Facilities for Community Facilities District No. 2018-1 (Arch Road/Newcastle Road) by and between the City and PW Fund B Development, LLC related to the public facilities to be financed from proceeds of the Bonds (the "Acquisition Agreement"), attached as Exhibit 4, and the City Council has duly considered same; and

All acts, conditions and things required by the laws and Charter of the City, the Act and the Constitution and 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 financing 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 authorize such financing and to authorize the execution of the documents related thereto, for the purposes, in the manner and upon the terms provided in this resolution; now, therefore,

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

1. The foregoing recitals are true and correct, and the City Council hereby so finds and determines.

2. Pursuant to the requirements of Government Code section 5852.1, the City Council is required to disclose at a public meeting certain information related to the financing. The City Council has obtained from the municipal advisor's good faith estimates of this required information and hereby discloses the estimated information as shown in Exhibit 5 attached hereto and incorporated herein by reference.

3. Pursuant to the Act and the Indenture, Bonds of the City, to be designated as the "City of Stockton Community Facilities District No. 2018-1 (Arch Road/Newcastle Road) Special Tax Bonds, Series 2018" in an aggregate principal amount not to exceed \$4,000,000 (the "Bonds"), are hereby authorized to be issued. The Bonds shall be in the form set forth in and otherwise in accordance with the Indenture, and shall be executed by the manual or facsimile signature of the Mayor, the Chief Administrative Officer, the Interim Controller or the Treasury Manager of the City (each an "Authorized Officer"), and the manual or facsimile seal of the City shall be impressed or reproduced thereon and attested by the manual or facsimile signature of the City Clerk. The appointment of a bank or trust company to serve as the trustee or fiscal agent for the Bonds, the pledge of revenues from the District to repayment of the Bonds, the investment of Bond proceeds and revenues from the District, the terms of any required rebate of amounts to the United States, the dates to be borne by the Bonds, the denominations, form and registration privileges of the Bonds and all other terms and conditions of the Bonds shall be as set forth in the Indenture, as executed and delivered as provided in Section 3.

4. The Indenture providing for the issuance of the Bonds, in substantially the form submitted to and on file with the City Clerk, is hereby approved for execution by the City, and each Authorized Officer is hereby authorized and directed to execute the Indenture in substantially said form, with such changes or additions that may hereafter become necessary in the interests of the City and which are reviewed and approved by the Authorized Officer executing the Indenture, in consultation with the City's bond counsel, such approval to be conclusively evidenced by the execution and delivery of the Indenture, and the City Clerk is hereby authorized and directed to attest such execution and to affix the seal of the City thereto and deliver the Indenture on behalf of the City.

5. The Purchase Agreement providing for the sale of the Bonds, in substantially the form submitted to and on file with the City Clerk, is hereby approved for execution by the City, and each Authorized Officer is hereby authorized and directed to execute the Purchase Agreement in substantially said form, with such changes or additions thereto as the Authorized Officer executing the Purchase Agreement may require or approve, such approval to be conclusively evidenced by his execution and delivery of the Purchase Agreement, and the City Clerk is hereby authorized and directed to attest such execution and deliver the Purchase Agreement on behalf of the City; provided, that the total principal amount of the Bonds shall not exceed \$4,000,000, the true interest on the Bonds shall not exceed eight percent (8%) per annum and the Underwriter's discount for the sale of the Bonds shall not exceed three percent (3%) of the principal amount thereof.

6. The Preliminary Official Statement, in substantially the form heretofore presented to the City Council and on file with the City Clerk, is hereby approved, and the Chief Administrative Officer is authorized and directed, for and on behalf of the City, to certify to the Underwriter that the Preliminary Official Statement in substantially said form with such changes or additions as the Chief Administrative Officer may require, is, as of its date, "deemed final" by the City within the meaning of Rule 15c2-12 (the "Rule") promulgated under the Securities and Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by such Rule) to deliver same to the Underwriter and to approve the distribution of the Preliminary Official Statement in such form.

7. Each Authorized Officer is authorized to execute and deliver to the Underwriter the final official statement, which shall be in substantially the form of the Preliminary Official Statement, with such additions thereto or changes therein as are permitted by the Rule and as the Authorized Officer executing the Official Statement shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof (the "Final Official Statement"), and the Underwriter is hereby authorized to distribute copies of the Final Official Statement to persons who may be interested in the purchase of the Bonds, and the Underwriter is directed to deliver such copies to all actual purchasers of the Bonds within the times required by the Rule.

8. The Acquisition Agreement, in substantially the form submitted to and on file with the City Clerk, is hereby approved for execution by the City on its own behalf and

acting as the legislative body of the District, and each Authorized Officer is hereby authorized to execute the Acquisition Agreement in substantially said form, with such changes or additions thereto as the Authorized Officer executing the Acquisition Agreement may require or approve, such approval to be conclusively evidenced by his execution and delivery of the Acquisition Agreement, and the City Clerk is hereby authorized and directed to attest such execution and deliver the Acquisition Agreement on behalf of the City.

9. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the District and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, including, without limitation, an agreement related to continuing disclosure and a certificate related to the exemption from federal income taxation of interest on the Bonds which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds, in accordance with this Resolution, and any certificate, agreement, and other documents described in the documents herein approved.

PASSED, APPROVED, and ADOPTED June 19, 2018.

MICHAEL D. TUBBS, Mayor
of the City of Stockton

ATTEST:

BRET HUNTER, CMC
City Clerk of the City of Stockton