

STOCKTON
MEASURE K RENEWAL FINANCING AGREEMENT
HAMMER LANE 3B WIDENING

This document, entitled Measure K Renewal Financing Agreement (hereinafter “Agreement”), is made and entered into this 1 day of April 2015, by and between the San Joaquin Council of Governments (hereinafter “SJCOG”), a joint powers agency, acting as the San Joaquin County Transportation Authority, and the City of Stockton, a charter city organized under the laws of the State of California (hereinafter “Stockton”).

RECITALS

WHEREAS, SJCOG, pursuant to the authority granted it under California Public Utilities Code (“Code”) sections 180000 et seq., and that certain ordinance, adopted by the voters of San Joaquin County on November 6, 1990, entitled “Local Transportation Improvement Plan: Air Quality, Mandatory Developer Fees and Growth Management Ordinance” (number 91-01), as amended, which incorporates the San Joaquin County Local Transportation Improvement Plan Expenditure Plan (collectively referred to as “Measure K Ordinance”), collects certain revenues (hereinafter “Measure K Revenues”), and allocates those Measure K Revenues to projects as described in the Code Section 180205, and as more particularly described in the Measure K Ordinance, and the strategic plan and supplemental plans adopted pursuant to that Measure K Ordinance; and

WHEREAS, that certain ordinance, adopted by the voters of San Joaquin County on November 6, 2006, entitled “Local Transportation Improvement Plan: Traffic Relief, Safety, Transit, and Road Maintenance Program Ordinance (number 06-01) which incorporates the San Joaquin County Local Transportation Improvement Plan Expenditure Plan (collectively referred to as “Measure K Renewal Ordinance”), collects certain revenues (hereinafter “Measure K Renewal Revenues”), and allocates those Measure K Renewal Revenues to projects as described in the Code Section 180205, and as more particularly described in the Measure K Renewal Ordinance, and the strategic plan and supplemental plans adopted pursuant to that Measure K Renewal Ordinance; and

WHEREAS, pursuant to the Measure K and Measure K Renewal Ordinances (collectively referred to as “Ordinances”), and the Strategic Plans and supplemental plans adopted pursuant to the Ordinances, Stockton has been allocated \$ 9,500,000 from the Measure K Congestion Relief/Regional Arterial category; and

WHEREAS, Stockton desires to complete that certain project known as the Hammer Lane 3B Widening (hereinafter “Project”), and

WHEREAS, the Project is a project for which Measure K Renewal Series 2014 Bond Proceeds could properly be spent under the Code and the Ordinances; and

WHEREAS, because the Measure K Renewal has not accrued sufficient sales tax, the allocation of \$ 9,500,000 is not currently available; and

WHEREAS, SJCOG has issued long term bonds to obtain funds for Stockton’s Measure K Renewal allocation; and

WHEREAS, Stockton desires to complete the Project, utilizing a Loan in order to advance the Measure K Renewal funds from SJCOG; and

WHEREAS, Stockton is willing to repay SJCOG the cost of the long term bonds plus an administrative fee; and

WHEREAS, Stockton pledges future Measure K Renewal Congestion Relief programming attributable to Stockton's Regional Arterial account as collateral and principal amortization; and

WHEREAS, Stockton will be responsible to repay SJCOG only the interest component of debt service of the bonds plus the administrative fee also using Measure K Renewal Congestion Relief programming attributable to Stockton's Regional Arterial account; and

WHEREAS, SJCOG desires to make such a loan;

NOW, THEREFORE, the parties hereto agree as follows:

1. SJCOG shall lend to Stockton the sum of \$ 9,500,000 for the Project which loan shall be paid out on an expense reimbursement basis starting on the date this Agreement is fully executed by Stockton and SJCOG.
2. Stockton hereby agrees to annual reductions in Stockton's Regional Arterial programming account amortized for the period the Loan is outstanding not to exceed ten (10) years from the date of the Project Notice of Completion. Interest shall be calculated and charged according to Exhibit A. For planning purposes, Exhibit B is a table of estimated debt service that will be owed by Stockton based upon current conditions. Stockton's liability under this Agreement is limited to the interest component. There shall be no penalty for prepayment of the Loan.
3. Stockton hereby agrees that interest owed under this Agreement will be deducted by SJCOG from future Measure K Renewal Congestion Relief programming attributable to Stockton's Regional Arterial account beginning annually for the period of the Loan not to exceed ten (10) years from the date of the Project Notice of Completion. As such, SJCOG is protected from default, however, in the unlikely event of default in payment of any amount herein provided, the entire interest amount shall become due and may be withheld at the option of SJCOG. Interest is payable in lawful money of the United States.
4. In case a suit is instituted to collect this note, or any portion thereof, Stockton promises to pay such additional sum as the court may adjudge reasonable as attorney's fees in said suit.
5. Should said accrued interest, or any part thereof, remain unpaid after it should have been paid, according to the terms of this Agreement, City and SJCOG would restructure the amortization schedule and extend the terms of the loan with the additional interest accrual.

6. As a condition precedent to the duty of SJCOG to make the loan specific herein, the City Council of Stockton shall have passed and adopted a resolution approving this Loan Agreement and the Loan.
7. This Agreement represents the entire Agreement of the parties with respect to the subject matter hereof. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set for herein or in other contemporaneous written agreements.
8. This Agreement may not be changed, modified or rescinded except in writing signed by all parties hereto, and any attempt at oral modification of this Agreement shall be void and of no effect.
9. The Agreement may not be assigned, transferred, hypothecated, or pledged by any party without the express written consent of the other party.
10. This Agreement shall be binding upon the successor(s), assignee(s), or transferee(s) of the Authority or as the case may be. This provision shall not be construed as an authorization to assign, transfer, hypothecate or pledge this Agreement other than as provided above.
11. Should any part of this agreement be determined to be unenforceable, invalid, or beyond the authority of either party to enter into or carry out, such determination shall not affect the validity of the remainder of this Agreement which shall continue in full force and effect; provided that, the remainder of this Agreement can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the parties.
12. This Agreement may be executed in one or more counterparts and shall become effective when one or more counterparts have been signed by all of the parties; each counterpart shall be deemed an original but all counterparts shall constitute a single document.
13. Time is and shall be of essence of this Agreement and each and all of its provisions in which performance is a factor.
14. No remedy or election of remedies provided for in this Agreement shall be deemed exclusive, but shall be cumulative with all other remedies at law or in equity. Each remedy shall be construed to give the fullest effect allowed by law.
15. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California.
16. The waiver by any party of any breach of any of the provisions of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same, or of any other provision of this Agreement.
17. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any third party, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third party to

any party to this Agreement, nor shall any provision of this Agreement give any third party any right of subrogation or action over or against any party to this Agreement.

18. Each party warrants to each other that it is fully authorized and competent to enter into this Agreement in the city indicated by the signature(s) below and agrees to be bound by this Agreement as of the day and year first mentioned above upon the execution of this Agreement by each other party.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement on the day and year first written above.

Dated: _____

SAN JOAQUIN COUNCIL OF
GOVERNMENTS

By: _____

STEPHEN DRESSER
SJCOG Board Chair

ATTEST:

By: _____

ANDREW T. CHESLEY
SJCOG Executive Director

By: _____

STEVE DIAL
SJCOG Deputy Executive Director/CFO

CITY OF STOCKTON

By: _____

KURT WILSON,
City Manager

ATTEST:

By: _____

BONNIE PAGE
City Clerk

APPROVED AS TO FORM AND
CONTENT:

By: _____

JOHN LUEBBERKE
City Attorney

Exhibit A

Interest Calculation

- A. Interest will be calculated using the All-In True Interest Cost of the Series 2014 San Joaquin County Transportation Sales Tax Revenue Bonds, 3.364995%.
- B. The rate assessed will be the rate stipulated in Exhibit A. - A. plus .0045% (45bps) administrative fee.
- C. Interest accrual will begin on the date of the Notice to Proceed.
- D. Reductions to Stockton Regional Arterial programming will begin the first March 1 after the Notice of Project Completion, amortized over a period not to exceed 10 years with programming reductions occurring biennially on March 1 and September 1.

Exhibit B

Pro-forma Amortization Schedule

 Stockton Bond Funding Hammer Lane 2-5-15

Compound Period : Semiannual

Nominal Annual Rate : 3.815 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	03/01/2015	150,000.00	1		
2 Payment	03/01/2015	869,587.87	1		
Fixed Principal (+Int.)					
3 Loan	04/01/2015	210,000.00	1		
4 Loan	07/01/2015	250,000.00	1		
5 Payment	09/01/2015	Interest Only	1		
6 Loan	10/01/2015	550,000.00	1		
7 Loan	01/01/2016	2,175,850.00	1		
8 Payment	03/01/2016	869,587.87	1		
Fixed Principal (+Int.)					
9 Loan	04/01/2016	3,060,500.00	1		
10 Loan	07/01/2016	2,103,650.00	1		
11 Payment	09/01/2016	Interest Only	1		
12 Loan	10/01/2016	1,000,000.00	1		
13 Payment	03/01/2017	869,587.87	1		
Fixed Principal (+Int.)					
14 Payment	09/01/2017	Interest Only	1		
15 Payment	03/01/2018	869,587.87	1		
Fixed Principal (+Int.)					
16 Payment	09/01/2018	Interest Only	1		
17 Payment	03/01/2019	869,587.87	1		
Fixed Principal (+Int.)					
18 Payment	09/01/2019	Interest Only	1		
19 Payment	03/01/2020	869,587.87	1		
Fixed Principal (+Int.)					
20 Payment	09/01/2020	Interest Only	1		
21 Payment	03/01/2021	869,587.87	1		
Fixed Principal (+Int.)					
22 Payment	09/01/2021	Interest Only	1		
23 Payment	03/01/2022	869,587.87	1		
Fixed Principal (+Int.)					
24 Payment	09/01/2022	Interest Only	1		
25 Payment	03/01/2023	869,587.87	1		
Fixed Principal (+Int.)					
26 Payment	09/01/2023	Interest Only	1		
27 Payment	03/01/2024	869,587.87	1		
Fixed Principal (+Int.)					
28 Payment	09/01/2024	Interest Only	1		
29 Payment	03/01/2025	869,587.87	1		
Fixed Principal (+Int.)					

AMORTIZATION SCHEDULE - Normal Amortization

Stockton Bond Funding Hammer Lane 2-5-15

	Date	Loan	Payment	Interest	Principal	Balance
Loan	03/01/2015	150,000.00				150,000.00
1	03/01/2015		869,587.87	0.00	869,587.87	719,587.87-
Loan	04/01/2015	210,000.00		2,331.56-	2,331.56	511,919.43-
2015 Totals		360,000.00	869,587.87	2,331.56-	871,919.43	
Loan	07/01/2015	250,000.00		4,869.06-	4,869.06	266,788.49-
2	09/01/2015		1,728.86-	1,728.86-	0.00	266,788.49-
Loan	10/01/2015	550,000.00		836.55-	836.55	282,374.96
Loan	01/01/2016	2,175,850.00		2,715.29	2,715.29-	2,460,940.25
3	03/01/2016		885,021.00	15,433.13	869,587.87	1,591,352.38
Loan	04/01/2016	3,060,500.00		5,156.20	5,156.20-	4,657,008.58
2016 Totals		6,036,350.00	883,292.14	15,870.15	867,421.99	
Loan	07/01/2016	2,103,650.00		44,294.53	44,294.53-	6,804,953.11
4	09/01/2016		44,097.96	44,097.96	0.00	6,804,953.11
Loan	10/01/2016	1,000,000.00		21,337.72	21,337.72-	7,826,290.83
5	03/01/2017		993,107.11	123,519.24	869,587.87	6,956,702.96
2017 Totals		3,103,650.00	1,037,205.07	233,249.45	803,955.62	
6	09/01/2017		132,699.11	132,699.11	0.00	6,956,702.96
7	03/01/2018		1,002,286.98	132,699.11	869,587.87	6,087,115.09
2018 Totals		0.00	1,134,986.09	265,398.22	869,587.87	
8	09/01/2018		116,111.72	116,111.72	0.00	6,087,115.09
9	03/01/2019		985,699.59	116,111.72	869,587.87	5,217,527.22
2019 Totals		0.00	1,101,811.31	232,223.44	869,587.87	
10	09/01/2019		99,524.33	99,524.33	0.00	5,217,527.22
11	03/01/2020		969,112.20	99,524.33	869,587.87	4,347,939.35
2020 Totals		0.00	1,068,636.53	199,048.66	869,587.87	
12	09/01/2020		82,936.94	82,936.94	0.00	4,347,939.35
13	03/01/2021		952,524.81	82,936.94	869,587.87	3,478,351.48
2021 Totals		0.00	1,035,461.75	165,873.88	869,587.87	
14	09/01/2021		66,349.55	66,349.55	0.00	3,478,351.48
15	03/01/2022		935,937.42	66,349.55	869,587.87	2,608,763.61
2022 Totals		0.00	1,002,286.97	132,699.10	869,587.87	
16	09/01/2022		49,762.17	49,762.17	0.00	2,608,763.61
17	03/01/2023		919,350.04	49,762.17	869,587.87	1,739,175.74
2023 Totals		0.00	969,112.21	99,524.34	869,587.87	
18	09/01/2023		33,174.78	33,174.78	0.00	1,739,175.74
19	03/01/2024		902,762.65	33,174.78	869,587.87	869,587.87
2024 Totals		0.00	935,937.43	66,349.56	869,587.87	
20	09/01/2024		16,587.39	16,587.39	0.00	869,587.87
21	03/01/2025		886,175.26	16,587.39	869,587.87	0.00

Stockton Bond Funding Hammer Lane 2-5-15

<u>Date</u>	<u>Loan</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2025 Totals	0.00	902,762.65	33,174.78	869,587.87	
Grand Totals	9,500,000.00	10,941,080.02	1,441,080.02	9,500,000.00	