

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL TAX REFUNDING BONDS FOR FOUR COMMUNITY FACILITIES DISTRICTS, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS

This City Council of the City of Stockton (the "City") has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Mello-Roos Act"), to form the following community facilities districts (collectively, the "CFDs"), to authorize the levy of special taxes upon the land within each of the CFDs, and to issue bonds secured by the levy of said special taxes within each of the CFDs, all as described in those proceedings:

- (i) Spanos Park West Community Facilities District No. 2001-1
- (ii) Camera Estates Community Facilities No. 2003-1;
- (iii) Community Facilities District No. 2006-3 (Northbrook);
- (iv) Community Facilities District No. 2006-1 (Riverbend); and

On April 25, 2003, the City issued \$3,250,000 original principal amount of its Camera Estates Community Facilities No. 2003-1, Special Tax Bonds, Series 2003 (the "2003 Bonds"), (ii) on March 2, 2006, the City issued \$21,635,000 original principal amount of its Spanos Park West Community Facilities District No. 2001-1, Special Tax Refunding Bonds Series 2006 (the "2006 Bonds"), (iii) on December 13, 2007, the City issued \$6,100,000 original principal amount of its Community Facilities District No. 2006-3 (Northbrook), Woodside Improvement Area 1 Special Tax Bonds, Series 2007 (the "2007 Bonds"); and (iv) on April 27, 2006, the City issued \$4,090,000 original principal amount of its Community Facilities District No. 2006-1 (Riverbend) Special Tax Bonds, Series 2006 (the "2006 Riverbend Bonds," and together with the 2003 Bonds, the 2006 Bonds, and the 2007 Bonds, the "Prior Bonds"); and

The City has determined that it is in the best financial interests of the City and each of the CFDs to refinance the Prior Bonds; and

Pursuant to separate proceedings, the City has determined to authorize the levy of reassessments upon the land within the City's Reassessment District No. 2016-1 (March Lane/Holman) and Reassessment District No. 2016-2 (Waterford Estates East Phase II) (together, the "Assessment Districts"), and the issuance of bonds secured by said reassessments (the "Refunding Assessment Bonds"); and

Accordingly, the City has determined to, simultaneously with the issuance of the Refunding Assessment Bonds, authorize, issue and sell special tax refunding bonds (the "CFD Refunding Bonds") to refund the Prior Bonds pursuant to the Mello-Roos Act, as follows:

- (i) Spanos Park West Community Facilities District No. 2001-1, Special Tax Refunding Bonds, Series 2016
- (ii) Camera Estates Community Facilities No. 2003-1, Special Tax Refunding Bonds, Series 2016;
- (iii) Community Facilities District No. 2006-3 (Northbrook), Special Tax Refunding Bonds, Series 2016;
- (iv) Community Facilities District No. 2006-1 (Riverbend), Special Tax Refunding Bonds, Series 2016; and

This Council wishes to sell the Refunding Assessment Bonds and the CFD Refunding Bonds to the Stockton Public Financing Authority (the "Authority"); and

The Authority wishes to issue revenue bonds (the "Authority Bonds") pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Authority Bond Law") for the purpose of financing acquisition of the CFD Refunding Bonds and the Refunding Assessment Bonds from the City; and

There have been submitted to this Council the form of certain documents described below providing for the issuance of the CFD Refunding Bonds, the use of the proceeds of the CFD Refunding Bonds and the issuance of the Authority Bonds, and this Council with the aid of its staff, has reviewed the documents and found them to be in proper order; and

There has also been submitted to this Council a form of preliminary Official Statement in connection with the marketing of the Authority Bonds, and the Council, with the aid of its staff, has reviewed the preliminary Official Statement to assure proper disclosure of all material facts relating to such Authority Bonds that are in the personal knowledge of the members of this Council and the City staff; and

All conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the CFD Refunding Bonds and the Authority Bonds and the levy of the special taxes as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Mello-Roos Act and the Authority Bond Law; now, therefore,

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

1. Bonds Authorized. Pursuant to the Mello-Roos Act, this Resolution and the Fiscal Agent Agreements (as defined in Section 3 hereof), this Council authorizes the issuance of the CFD Refunding Bonds.

The City hereby finds that the CFD Refunding Bonds constitute “refunding bonds” within the meaning of the Mello-Roos Act because the proceeds thereof will be used to refund the Prior Bonds. For the purposes of these proceedings for the issuance of the CFD Refunding Bonds, the City hereby determines that as to each series of Prior Bonds considered independently, (i) the total net interest cost to maturity of the CFD Refunding Bonds issued to refund the applicable Prior Bonds, plus the principal amount of such CFD Refunding Bonds is less than (ii) the total net interest cost to maturity of the applicable Prior Bonds plus the principal amount of such Prior Bonds to be refunded. The City further finds and determines that it would be prudent in the management of its fiscal affairs to issue the CFD Refunding Bonds to refund the Prior Bonds.

2. Authorities Granted. The Mayor, City Manager or the Finance Director or such other official of the City as may be designated by such officer (each, an “Authorized Official”) is hereby authorized and directed to execute and deliver the documents approved herein in substantially the form on file with the City Clerk, together with such additions or changes as are approved by such Authorized Official upon consultation with the City Attorney and the City’s underwriter and bond counsel, including such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of the CFD Refunding Bonds. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery by an Authorized Official of the documents herein specified.

3. Fiscal Agent Agreements. The Council hereby approves the form of Fiscal Agent Agreement by and between the City and Wells Fargo Bank, National Association, as fiscal agent, to be entered into for each series of CFD Refunding Bonds, with one fiscal agent agreement to be entered into with respect to each series of CFD Refunding Bonds (collectively, the “Fiscal Agent Agreements”), in substantially the form on file with the City Clerk. The date, manner of payment, principal amount, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption, costs of issuing and other terms of each series of the CFD Refunding Bonds shall be completed by staff and shall be as provided in the Fiscal Agent Agreement with respect to each series of the CFD Refunding Bonds as finally executed and delivered. The terms and provisions of the Fiscal Agent Agreements, as executed, are incorporated herein by this reference as if fully set forth herein. An Authorized Official is hereby authorized and directed to execute the Fiscal Agent Agreements on behalf of the City and the City Clerk is hereby authorized and directed to attest thereto.

4. Escrow Agreement. The Escrow Deposit and Trust Agreement by and between the City and Wells Fargo Bank, National Association, as escrow holder, in the

form presented to this Council at this meeting is hereby approved. An Authorized Official is hereby authorized and directed to execute the Escrow Deposit and Trust Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest thereto. For the purposes hereof, the "Escrow Fund" established under the Escrow Deposit and Trust Agreement shall constitute the "refunding fund" under the Mello-Roos Act and the "designated costs of issuing the refunding bonds" under the Mello-Roos Act shall include the Costs of Issuance as defined in the Fiscal Agent Agreement. The Prior Bonds will be redeemed on the date or dates specified in the Escrow Deposit and Trust Agreement. Alternatively, an Authorized Official is hereby authorized and directed to execute a separate Escrow Deposit and Trust Agreement for each series of the Prior Bonds if determined to be appropriate by Bond Counsel.

5. Official Statement. The Council hereby approves the preliminary Official Statement prepared in connection with the issuance and sale of the Authority Bonds, and containing information regarding the Authority Bonds, the Refunding Assessment Bonds and the CFD Refunding Bonds, in substantially the form submitted to the Council, together with any changes therein or additions thereto deemed advisable by an Authorized Official. The Council hereby approves and authorizes the distribution by RBC Capital Markets and Hilltop Securities, as underwriters of the Authority Bonds, of the preliminary Official Statement to prospective purchasers of the Authority Bonds, and authorizes and directs an Authorized Official on behalf of the City to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") prior to its distribution to prospective purchasers of the Authority Bonds. The execution of the final Official Statement, which shall include the information in the preliminary Official Statement, together with such changes and additions thereto deemed advisable by an Authorized Official and such other information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the City.

6. Continuing Disclosure. The Council hereby approves the form of the Continuing Disclosure Certificate with respect to the Authority Bonds, in substantially the form thereof attached to the preliminary Official Statement on file with the City Clerk. An Authorized Official is hereby authorized and directed to complete and execute the Continuing Disclosure Certificate on behalf of the City with such changes, additions or deletions as may be approved by the Authorized Official in consultation with the City's bond counsel.

7. Sale of Bonds; CFD Bonds Purchase Agreement. The form of the CFD Bonds Purchase Agreement, providing for the sale of the CFD Refunding Bonds by the City to the Authority presented at this meeting is hereby approved and each of the Authorized Officials is hereby authorized to execute the CFD Bonds Purchase Agreement in the form so approved, with such additions thereto and changes therein as are necessary to conform the CFD Bonds Purchase Agreement to the dates, amounts and interest rates applicable to the CFD Refunding Bonds as of the sale date, and such other changes, additions or deletions as may be approved by the Authorized Official in consultation with

the City's bond counsel. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the CFD Bonds Purchase Agreement by one or more of such officers. The City Council hereby finds that sale of the CFD Refunding Bonds to the Authority at a private sale pursuant to the CFD Bonds Purchase Agreement will result in a lower overall cost than would be achieved by selling the CFD Refunding Bonds at a public sale utilizing competitive bidding.

8. Actions Authorized. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the CFDs, the issuance and sale of the Prior Bonds, and the issuance and sale of the CFD Refunding Bonds and Refunding Assessment Bonds by the City and the Authority Bonds by the Authority are hereby approved, confirmed and ratified, and the appropriate 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, which they, or any of them, may deem necessary or advisable in order to consummate the purposes and intent of this resolution, and any certificate, agreement, and other document described in the documents herein approved. The City Manager or his designee is authorized to appropriate budget as necessary in accordance with the bond refunding authorized herein and for administrative costs incurred as part of the refunding. All actions to be taken by an Authorized Official, as defined herein, may be taken by such Authorized Official or any designee, with the same force and effect as if taken by the Authorized Official.

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

PASSED, APPROVED AND ADOPTED: June 28, 2016.

ANTHONY SILVA, Mayor
of the City of Stockton

ATTEST:

BONNIE PAIGE, City Clerk
of the City of Stockton