

RESOLUTION NO. \_\_\_\_\_

**STOCKTON SUCCESSOR AGENCY OVERSIGHT BOARD**

**AMENDED AND RESTATED RESOLUTION OF THE STOCKTON  
SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE SUCCESSOR  
AGENCY'S AUTHORIZATION OF THE REFUNDING OF CERTAIN  
OUTSTANDING OBLIGATIONS OF THE SUCCESSOR AGENCY PURSUANT  
TO ASSEMBLY BILLS X1 26 AND 1484 AND THE EXECUTION AND  
DELIVERY OF AN INDENTURE OF TRUST, BOND PURCHASE CONTRACT,  
ESCROW AGREEMENT, REFUNDING AGREEMENT AND RELATED  
DOCUMENTS; AND APPROVING AND AUTHORIZING CERTAIN RELATED  
ACTIONS**

**WHEREAS**, 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") as then enacted, the City Council (the "City Council") of the City of Stockton (the "City") created the former Redevelopment Agency of the City of Stockton (the "Former RDA");

**WHEREAS**, 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 Law, and the powers of such agency included the power to issue bonds, notes, certificates of participation, or other evidence of indebtedness for any of its corporate purposes;

**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**, Assembly Bill No. 1484 ("AB 1484"), a follow on bill to ABX1 26, was enacted on June 27, 2012 and provides a mechanism to refund outstanding indebtedness of the Former RDA under certain circumstances, and to renegotiate contracts, agreements and other arrangements of the Former RDA to reduce liabilities and increase net revenues to certain taxing entities identified in Health and Safety Code Section 34171(k) (collectively, the "Taxing Entities");

**WHEREAS**, pursuant to Health and Safety Code Section 34173(d), the City agreed to serve as the successor agency (the "Successor Agency") to the Former RDA;

**WHEREAS**, Health and Safety Code Section 34179(a) provides that each successor agency shall have an oversight board composed of seven members;

**WHEREAS**, the Oversight Board for the Successor Agency (the "Oversight Board") was established pursuant to Health and Safety Code Section 34179(a);

**WHEREAS**, the Oversight Board is informed by the Successor Agency that Wells Fargo Bank, National Association, as trustee (the “2003 COPs Trustee”) under that certain Trust Agreement, dated as of June 1, 2003 (the “2003 Trust Agreement”), among the 2003 COPs Trustee, the Stockton Public Financing Authority (the “Financing Authority”) and the City, executed and delivered \$1,160,000 principal amount of City of Stockton Certificates of Participation (Redevelopment Housing Projects) Series 2003A and \$12,140,000 principal amount of City of Stockton Certificates of Participation (Redevelopment Housing Projects) Taxable Series 2003B under the 2003 Trust Agreement;

**WHEREAS**, the Oversight Board is informed by the Successor Agency that the Former RDA issued and sold \$47,000,000 aggregate principal amount of Redevelopment Agency of the City of Stockton Revenue Bonds, Series 2004 (Stockton Events Center—Arena Project) (the “2004 Arena Bonds”), pursuant to an Indenture of Trust, dated as of March 1, 2004, by and between the Former RDA and Wells Fargo Bank, National Association, as trustee (the “2004 Arena Trustee”);

**WHEREAS**, the Oversight Board is informed by the Successor Agency that the Financing Authority issued and sold \$75,755,000 aggregate principal amount of Stockton Public Financing Authority Revenue Bonds (Redevelopment Projects), 2006 Series A, pursuant to an Indenture of Trust, dated as of July 1, 2006, between the Financing Authority and Wells Fargo Bank, National Association, as trustee;

**WHEREAS**, the Oversight Board is informed by the Successor Agency that the Financing Authority issued and sold \$25,985,000 aggregate principal amount of Stockton Public Financing Authority Taxable Revenue Bonds (Housing Projects), 2006 Series C, pursuant to the terms of an Indenture of Trust, dated as of July 1, 2006, between the Financing Authority and Wells Fargo Bank, National Association, as trustee;

**WHEREAS**, the Oversight Board is informed by the Successor Agency that 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**, the Oversight Board is informed by the Successor Agency that 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, 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 (“NPFG”) and the 2004 Arena Trustee, 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**, the Successor Agency desires to refund the outstanding obligations of the Former RDA and the Successor Agency listed on Exhibit 1 attached hereto (collectively, the “Refunded Obligations”);

**WHEREAS**, Health & Safety Code Section 34177.5 authorizes successor agencies to refund outstanding bonds or other indebtedness 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**, Health and Safety Code Section 34181(e) authorizes the Successor Agency to determine whether any contracts, agreements, or other arrangements of the Former RDA should be terminated or renegotiated to reduce liabilities and increase net revenues to one or more Taxing Entities, and to present proposed termination or amendment agreements to the Oversight Board for its approval;

**WHEREAS**, the Successor Agency has indicated that there are potential debt service savings that can be achieved through a refinancing of the Refunded Obligations, and the Oversight Board now wishes to approve and direct the refunding by the Successor Agency of all or a portion of the Refunded Obligations to achieve debt service savings through the issuance of not to exceed \$130,000,000 aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of Stockton 2016 Tax Allocation Refunding Bonds, in one or more series, on a federally tax exempt or taxable basis (the “Refunding Bonds”);

**WHEREAS**, the Successor Agency has informed the Oversight Board that it intends to (i) refund all or a portion of the Refunded Obligations, (ii) pay the costs of issuing the Refunding Bonds, (iii) fund a reserve account for the Refunding Bonds and (iv) if advisable, pay 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 (collectively, the “Refunding”);

**WHEREAS**, in order to terminate the obligations of the Former RDA and the Successor Agency incurred in connection with the Refunded Obligations, the Successor Agency will enter into a refunding agreement (the “Arena Refunding Agreement”), by and among the City, the Successor Agency, NPFG and the 2004 Arena Trustee, providing for, among other things, the termination of the obligations of the Former RDA and Successor Agency under the Arena Settlement Agreements and related bond documents (the “Arena Refunding Agreement Obligations”);

**WHEREAS**, pursuant to Health and Safety Code Section 34181(e), the Oversight Board has determined that it is in the best interests of the Taxing Entities to terminate the Arena Refunding Agreement Obligations;

**WHEREAS**, the Successor Agency has presented at this meeting proposed forms of (i) an Indenture of Trust, between the Successor Agency and Wells Fargo Bank, National Association, or such other trust bank as may be designated and approved by the Executive Director of the Successor Agency or his or her designee (each an “Authorized Representative”), as trustee (the “Indenture”), (ii) a Bond Purchase Contract, between the Successor Agency and Stifel, Nicolaus & Company, Incorporated, or such other broker-dealer as may be designated and approved by an Authorized Representative, as underwriter (the “Bond Purchase Contract”), (iii) the Arena Refunding Agreement; and (iv) an Escrow Agreement, between the Successor Agency and the Trustee, as escrow agent (the “Escrow Agreement”), relating to the refunding of the 2004 Arena Bonds;

**WHEREAS**, the Indenture, Bond Purchase Contract, Arena Refunding Agreement and Escrow Agreement are collectively referred herein as the “Primary Bond Documents” (attached hereto collectively as Exhibit 2);

**WHEREAS**, the Successor Agency has approved all matters relating to the issuance and sale of the Refunding Bonds through the adoption of Resolution No. SRD-2016-06-28-1502 on June 28, 2016 (the “Successor Agency Resolution”); and

**WHEREAS**, the Oversight Board now desires to approve all matters relating to the Refunding and the issuance and sale of the Refunding Bonds as required by Sections 34177.5, 34180 and 34181 of the Health and Safety Code (collectively, the “Approval”);

**WHEREAS**, all acts, conditions and things required by the Law 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 Approval authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Oversight Board is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize such Approval;

**NOW, THEREFORE, THE STOCKTON SUCCESSOR AGENCY OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1. Findings.** The recitals set forth above are true and correct and incorporated herein by reference.

**Section 2. Approval of Refunding and Primary Bond Documents.** The Oversight Board hereby approves the Successor Agency’s authorization of the Refunding. The Primary Bond Documents, in substantially the form presented at this meeting, with such changes therein as the Authorized Representative acting for and on behalf of the Successor Agency executing the same may approve, are hereby approved and the issuance of the Refunding Bonds for the purposes set forth herein and subject to the requirements of Section Health & Safety Code Section 34177.5(a)(1) is hereby approved.

The Successor Agency has filed the debt service savings analysis in the form of a Refunding Plan and Savings Analysis (the “Refunding Plan and Savings Analysis”) prepared by an independent financial advisor, together with a certified copy of its Successor Agency Resolution, with the Oversight Board, and the Refunding Plan and Savings

Analysis is hereby approved as demonstrating the potential savings that may result from the refunding of the Refunded Obligations.

**Section 3. Chairperson, Executive Director and Secretary of the Successor Agency.** The Chairperson, Executive Director and Secretary of the Successor Agency, and the designees of such officials, each acting for the Oversight Board, are hereby authorized to take whatever actions may be necessary to carry out the purposes of this Resolution pursuant to ABX1 26 and AB 1484.

**Section 4. City Clerk Acting for Oversight Board.** The City Clerk acting for the Oversight Board shall certify to the passage of this Resolution and enter it into the book of original resolutions and take any other actions and/or perform any other duties required by law.

**Section 5. Effective Date.** Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the California Department of Finance and, therefore, this Resolution shall be effective five (5) business days after notice to the Department of Finance unless the Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the Department of Finance.

**PASSED, APPROVED, AND ADOPTED** August 18, 2016.

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PAUL SENSIBAUGH, Chair  
of the Stockton Successor Agency  
Oversight Board

ATTEST:

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BONNIE PAIGE, Secretary  
of the Stockton Successor Agency  
Oversight Board