

## GOOD FAITH ESTIMATE

Pursuant to California Government Code Section 5852.1, the underwriter identified below has provided the following required information to the Stockton Public Financing Authority (the "Authority") and the City of Stockton prior to the meeting (the "Meeting") of the Authority's board of directors (the "Board") and the City Council of the City (the "City Council") at which Meeting the Board and the City Council will consider the authorization of the bonds identified below (the "Bonds").

- (1) Name of Underwriter: City Municipal Securities Division
- (2) Authority / City Council Meeting Date: October 16, 2018.
- (3) Name of Bond Issue: Stockton Public Financing Authority Water Revenue Refunding Bonds, Series 2018
- (4) The Underwriter has provided to the Authority and the City the following required good faith estimates relating to the Bonds:
  - a. The true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Bonds (to the nearest ten-thousandth of one percent): 3.8787%.
  - b. The finance charge of the Bonds, which means the sum of all fees and charges paid to third parties: \$3,174,962.
  - c. The amount of proceeds received by the public body for sale of the Bonds less the finance charge of the Bonds described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Bonds: \$159,442,076.
  - d. The total payment amount, which means the sum total of all payments the public body will make to pay debt service on the Bonds plus the finance charge of the Bonds described in subparagraph (B) not paid with the proceeds of the Bonds (which total payment amount shall be calculated to the final maturity of the Bonds): \$230,278,460.

The above estimates are good faith estimates only. The actual principal amount of the bonds issued and sold, the true interest cost, finance charges, amount of proceeds received and total payment amount may differ from the good faith estimates due to a variety of factors. The actual interest rates achieved in the final issuance will depend on market interest rates at the time of bond sale. Market interest rates are affected by economic and other factors beyond the control of the Authority and the City.