

Resolution No.

STOCKTON PUBLIC FINANCING AUTHORITY

RESOLUTION OF THE BOARD OF DIRECTORS OF THE STOCKTON PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS REVENUE BONDS, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS

The Stockton Public Financing Authority (the "Authority") is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations and for financing and refinancing public capital improvements of member entities of the Authority and other local agencies; and

The 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 Arch Road East Community Facilities District No. 99-02, City of Stockton, San Joaquin County, California (the "CFD"), to authorize the levy of special taxes upon the land within the CFD, and to issue bonds secured by the levy of said special taxes within the CFD; and

On September 6, 2007, the City issued \$19,065,000 principal amount of its City of Stockton Arch Road East Community Facilities District No. 99-02 2007 Special Tax Bonds (the "Prior CFD Bonds"). The City has determined that it is in the best financial interests of the City and the CFD to refinance the Prior CFD Bonds. Accordingly, the City has determined to issue and sell special tax bonds to refund the Prior CFD Bonds (the "CFD Refunding Bonds"); and

The City has further determined to finance additional improvements authorized to be funded by the CFD and necessitated by development occurring in the CFD, and to that end has determined to issue and sell additional special tax bonds for the CFD (the "CFD New Money Bonds," and together with the CFD Refunding Bonds, the "CFD Bonds"); and

The City intends to sell the CFD Bonds to the Authority.

In order to raise funds for the purpose of purchasing the CFD Bonds from the City, the Authority has determined to issue its Stockton Public Financing Authority Revenue Bonds (Arch Road East CFD No. 99-02) Series 2018A (the "Bonds" as described in more detail herein) pursuant to the Bond Law; and

For the proposed financing and refinancing, there has been filed with the Secretary of the Board of Directors of the Authority forms of the following documents with respect to the issuance of the Bonds, which the Board desires to approve as described herein:

(1) The Indenture of Trust (the "Indenture"), attached as Exhibit 1, by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee");

(2) The Preliminary Official Statement, attached as Exhibit 2, describing the Bonds (the "Preliminary Official Statement");

(3) The CFD Bonds Purchase Agreement, attached as Exhibit 3, relating to the sale of the CFD Bonds by the City to the Authority, to be dated the date of sale of the Bonds, by and between the City and the Authority (the "CFD Bonds Purchase Agreement");

(4) The Bond Purchase Agreement, attached as Exhibit 4, relating to the sale of the Bonds to RBC Capital Markets (the "Underwriter"), to be dated the date of sale of the Bonds, by and among the Authority, the City and the Underwriter (the "Bond Purchase Agreement"); and

(5) The Escrow Agreement, attached as Exhibit 5, relating to the redemption of the Prior CFD Bonds, by and among the Authority, the City and Wells Fargo Bank, National Association, as escrow bank (the "Escrow Agreement").

The Authority has determined and hereby finds that the issuance of the Bonds and the acquisition of the CFD Bonds will result in significant public benefits of the type described in Section 6586 of the Bond Law, including, without limitation, (i) demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs that will result from refinancing the Prior CFD Bonds and from assisting in the financing of additional public improvements for the CFD through the Authority's acquisition of the CFD Refunding Bonds and the CFD New Money Bonds, respectively; and (ii) more efficient delivery of local agency services to commercial development by the City; 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 Bonds 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 Bond Law; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE STOCKTON PUBLIC FINANCING AUTHORITY, AS FOLLOWS:

1. Recitals. Each of the above recitals is true and correct and is adopted by the Board of Directors.

2. The Bonds; the Indenture. Pursuant to the Bond Law, this Resolution and the Indenture, this Board of Directors authorizes the issuance of the Bonds in an aggregate principal amount not to exceed \$27,500,000, with the exact principal amount of the Bonds and the interest rates and the maturities thereof to be determined by the sale of the Bonds as described in Section 4 below. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Executive Director of the Authority and attested by the manual or facsimile signature of the Secretary of the Authority.

The Bonds shall be issued under the terms of the Indenture, the form of which is on file with the Secretary of the Board of Directors. The Board of Directors hereby approves the Indenture in the form on file with the Secretary, together with any changes therein or additions thereto approved by the Chairman, the Executive Director or the Treasurer or such other official of the Authority as may be designated by any such officer (each, an "Authorized Official"), and the execution thereof by an Authorized Official shall be conclusive evidence of such approval of any such changes or additions. The Board of Directors hereby authorizes and directs an

Authorized Official to execute, and the Secretary to attest, the final form of the Indenture for and in the name of the Authority.

3. Trustee. Wells Fargo Bank, National Association is hereby appointed to act as the trustee for the Bonds under the Indenture. If an Authorized Official determines at any time while the Bonds are outstanding that another bank should be selected to act as trustee for the Bonds, in order to ensure the efficient administration of the Bonds, then such Authorized Official is hereby authorized and directed to select and engage a bank or trust company meeting the requirements set forth in the Indenture to act as a successor trustee for the Bonds under the terms of the Indenture.

4. Sale of the Bonds; Bond Purchase Agreement. The Board hereby approves the sale of the Bonds by negotiation with the Underwriter pursuant to the Bond Purchase Agreement in the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Official, whose execution thereof shall be conclusive evidence of the Authority's approval of any such additions and changes. The Bond Purchase Agreement shall be executed in the name and on behalf of the Authority by an Authorized Official upon submission of a proposal by the Underwriters to purchase the Bonds, which offer is consistent with the following requirements: the amount of Underwriters' discount shall be not more than 1.0% of the par amount thereof, the true interest cost of the Bonds shall not be in excess of 5.0%, and the aggregate principal amount of the Bonds shall not be in excess of the amount set forth in Section 2 above.

5. CFD Bonds Purchase Agreement. The form of the CFD Bonds Purchase Agreement 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 Bonds as of the sale date, or to cure any defect or ambiguity therein. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the CFD Bonds Purchase Agreement by an Authorized Official.

6. Official Statement. The form of the Preliminary Official Statement presented at this meeting is hereby approved and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary or appropriate by an Authorized Official, to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). Each of the Authorized Officials is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by an Authorized Official, to make such Official Statement complete and accurate as of its date, including, but not limited to, such additions and changes as are necessary to include such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule. The Underwriter is further authorized to distribute the final Official Statement for the Bonds and any supplement thereto to the purchasers of the Bonds upon its execution on behalf of the Authority as described above.

7. Escrow Agreement. The Escrow Agreement by and among the Authority, the City and Wells Fargo Bank, National Association, as escrow bank, in the form presented to this Board at this meeting is hereby approved and each of the Authorized Officials is hereby authorized to execute the Escrow Agreement in the form so approved, with such additions thereto and

changes therein as are determined necessary by an Authorized Official. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Escrow Agreement by an Authorized Official.

8. Approval of Advisors. Quint & Thimmig LLP is hereby appointed as bond counsel to the Authority with respect to the Bonds and is hereby also appointed as disclosure counsel with respect to the Bonds. RBC Capital Markets is hereby designated as Underwriter for the Bonds, and Del Rio Advisors, LLC is hereby designated as municipal advisor to the Authority with respect to the Bonds.

9. Official Actions. Budget for up to \$27.5 million in proceeds, \$17.76 million in principal reduction, and costs of issuance not to exceed \$575,000 are hereby appropriated and the Chairman, the Executive Director, the Treasurer, the Secretary and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Bonds and the other transactions contemplated by the documents approved pursuant to this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

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

PASSED, APPROVED AND ADOPTED: November 6, 2018.

Chairman
of the Stockton Public Financing Authority

ATTEST:

Secretary
Stockton Public Financing Authority