

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS

Community Facilities District No. 2001-1 (Downtown Parking)

WHEREAS, the City Council 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 as supplemented by its charter (the "Act"), to form Community Facilities District No. 2001-1 (Downtown Parking) (the "CFD"); to authorize the levy of special taxes upon the land within the CFD; and to issue bonds or other evidences of indebtedness, including bond anticipation notes, secured by such special taxes the proceeds of which are to be used to finance certain public improvements (the "Facilities"), all as described in those proceedings; and

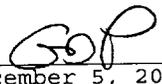
WHEREAS, on December 11, 2001, the City Council adopted a resolution for the CFD entitled "A Resolution Authorizing the Issuance of Special Tax Bonds" (the "Bond Resolution") authorizing the issuance of certain special tax bonds (the "Bonds") on behalf of the CFD, which Bonds have not yet been sold and delivered; and

WHEREAS, the City Council now wishes to borrow money in anticipation of the sale and delivery of the Bonds by the issuance and sale of bond anticipation notes (the "Notes"), all as hereinafter provided; and

WHEREAS, all conditions, things, and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Notes, 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 Act; now, therefore,

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

Section 1. Notes Authorized. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement (as defined in Section 3 hereof), the Notes designated the "City of Stockton, Community Facilities District No. 2001-1 (Downtown Parking), Special

City Atty
Review 
Date December 5, 2001

Tax Bond Anticipation Notes, Series 2001" (the "Notes") in an aggregate principal amount not to exceed \$6,215,000 are hereby authorized to be issued. The Notes shall be executed in the form, mature, be payable in the priorities and bear interest at the rates as provided in the Fiscal Agent Agreement, as hereinafter defined. The Council hereby finds that the issuance of the Notes is in compliance with the Act and applicable provisions of policies of the City.

Section 2. Authorities Granted. The City Manager, Assistant City Manager, Administrative Services Officer, City Clerk, City Attorney, or such other official of the City as may be designated by such officer pursuant to Section 7 hereof (each, an "Authorized Officer") 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 Officer upon consultation with the City Attorney and the City's financial advisors and bond counsel, including such additions or changes as are necessary or advisable to permit the timely issuance, sale, and delivery of the Notes provided, however, that no additions or changes shall: (i) authorize an aggregate principal amount of Notes in excess of \$6,215,000; (ii) provide a true interest cost payable on the Notes shall not exceed 6.5% per annum; and (iii) result in the purchase price paid for the purchase of Notes shall be not less than 98.0% of the par amount thereof, excluding any original issue discount on the Notes. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery by an Authorized Officer of the documents herein specified.

Section 3. Fiscal Agent Agreement. The Council hereby approves the form of the Fiscal Agent Agreement by and between the City and BNY Western Trust, as fiscal agent (the "Fiscal Agent Agreement") with respect to the Notes, in substantially the form on file with the City Clerk together with such additions thereto or changes therein as are approved by the Authorized Officer who executes the Fiscal Agent Agreement. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption, and other terms of the Notes shall be as provided in the Fiscal Agent Agreement as finally executed and delivered. The terms and provisions of the Fiscal Agent Agreement, as executed, are incorporated herein by this reference as if fully set forth herein. An Authorized Officer is hereby authorized and directed to execute the Fiscal Agent Agreement on behalf of the City, subject to the terms of Section 2 hereof.

Section 4. Continuing Disclosure. The Council hereby approves the form of the Continuing Disclosure Certificate with respect to the Notes in substantially the form on file with the City Clerk as part of the Official Statement described below. An Authorized Officer 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 Officer in consultation with the City's underwriter and bond counsel.

Section 5. Approval of Sale of the Notes. The sale of the Notes to Stone & Youngberg, LLC (the "Underwriter") pursuant to the Note Purchase Agreement substantially in the form on file with the City Clerk is hereby approved, and the Authorized Officer is hereby authorized and directed in the name of and on behalf of the City, to execute and deliver the Note Purchase Agreement, with such additions thereto or changes therein as are recommended or approved by such Officer, subject to compliance with all of the conditions specified in Section 2 hereof.

Section 6. Official Statement. The City Council hereby approves the Official Statement describing the financing for the Notes, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the Authorized Officer. The City Council approves and authorizes the distribution by the Original Purchaser (as underwriter) of the Official Statement to prospective purchasers of the Notes and authorizes and directs the Authorized Officer on behalf of the City to deem "final," pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"), the Official Statement prior to its distribution to prospective purchasers of the Notes (the Official Statement, as so deemed final, being referred to as the "Preliminary Official Statement"). The execution of the final Official Statement, which shall include such changes and additions to the Preliminary Official Statement as may be permitted by the Rule and deemed advisable by the Authorized Officer, and such information permitted to be excluded from the Preliminary Official Statement, pursuant to the Rule (the "Official Statement"), shall be conclusive evidence of the approval of the Official Statement by the City.

Section 7. Escrow Agreement. The Council hereby approves the form of the Escrow Agreement by and between the City and US BANK TRUST, NA, as escrow holder (the "Escrow Agreement") with respect to the Notes, in substantially the form on file with the City Clerk, together with such additions thereto or changes therein as are approved by the Authorized Officer who executes the Escrow Agreement. The final amounts, interest rates, and other particulars of the Escrow Agreement shall be as provided in the Escrow Agreement as finally executed and delivered. The terms and provisions of the Escrow Agreement, as executed, are incorporated herein by this reference as if fully set forth herein. An Authorized Officer is hereby authorized and directed to execute the Escrow Agreement on behalf of the City, subject to the terms of Section 2 hereof.

Section 8. Actions Authorized. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the CFD and the sale and issuance of the Notes 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 lawful issuance and delivery of the Bonds in accordance with this resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by an Authorized Officer, as defined herein, may be taken by such Authorized Officer or any designee, with the same force and effect as if taken by the Authorized Officer.

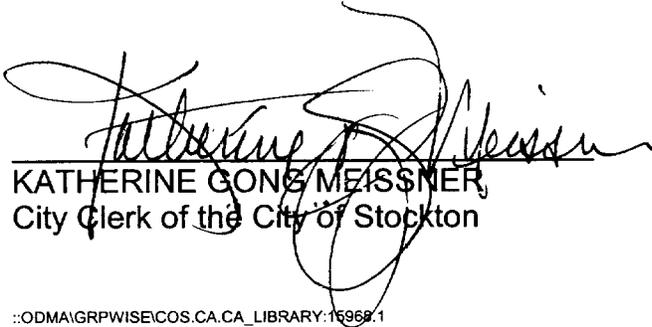
Section 9. Effective. This resolution shall take effect from and after its adoption. The provisions of any previous resolutions in any way inconsistent with the provisions hereof, in and for the issuance of the Notes as herein described, are hereby repealed.

PASSED, APPROVED, AND ADOPTED DEC 11 2001



GARY A. PODESTO
Mayor of the City of Stockton

ATTEST:



KATHERINE GONS MEISSNER
City Clerk of the City of Stockton

::ODMA\GRPWISE\COS.CA.CA_LIBRARY\15959.1