

## NEW ISSUE – FULL BOOK-ENTRY

RATING: S&P: “BBB+”  
See “RATING” herein

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “TAX MATTERS” herein.*

**\$13,500,000\***

**STOCKTON PUBLIC FINANCING AUTHORITY  
LIMITED OBLIGATION REVENUE BONDS  
(MOSHER REASSESSMENT DISTRICT 2014-1), SERIES 2014**

Dated: Date of Delivery

Due: September 2, as shown on inside cover

The \$13,500,000\* Limited Obligation Revenue Bonds (Mosher Reassessment District 2014-1), Series 2014 (the “Bonds”) are being issued by the Stockton Public Financing Authority (the “Authority”) to assist the City of Stockton, California (the “City”) in the refinancing of certain improvements of benefit to property within the City of Stockton, Mosher Reassessment District 2014-1 (the “Reassessment District”).

The City previously issued the City of Stockton Limited Obligation Improvement Bonds, Mosher Assessment District No. 2003-02, of which the unmatured principal amount of \$15,225,000 is currently outstanding (the “Prior Bonds”), to provide the City with money to finance the construction and acquisition of certain public improvements within that assessment district. In connection with the issuance of the Bonds, the City has formed the Reassessment District and concurrently with the issuance of the Bonds, the City will issue a series of reassessment bonds (the “Local Obligations”) the proceeds of which will be used to refund the Prior Bonds. Proceeds of the Bonds will be used to purchase the Local Obligations.

The Bonds are special, limited obligations of the Authority, payable from and secured by Revenues (as defined herein) of the Authority, consisting primarily of payments on the Local Obligations received by the Authority from the City. The Local Obligations are secured by liens of unpaid reassessments (the “Reassessments”) levied on property in the Reassessment District, as more fully described herein. Payments under the Local Obligations are calculated to be sufficient to permit the Authority to pay the principal of, premium, if any, and interest on the Bonds when due. Installments of principal and interest sufficient to meet annual debt service on the Local Obligations are included on the regular county tax bills sent to owners of property against which there are unpaid Reassessments. The Local Obligations will be registered in the name of Wells Fargo Bank, National Association, as trustee (the “Trustee”) for the Bonds under the Trust Agreement (described herein) and debt service payments on the Local Obligations will be paid to the Trustee. See “SECURITY FOR THE BONDS AND SOURCES OF PAYMENT.”

The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Interest is payable on March 2, 2015 and semiannually thereafter on March 2 and September 2 each year. See APPENDIX D – “THE BOOK-ENTRY SYSTEM.”

**The Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS – Redemption.”**

The Reassessment District is comprised of approximately 1,383 parcels currently subject to a Reassessment lien. Unpaid Reassessments do not constitute a personal indebtedness of the owners of the parcels within the Reassessment District and the owners have made no commitment to pay the principal of or interest on the Local Obligations or the Bonds. In the event of delinquency, foreclosure proceedings may be conducted only against the real property securing the delinquent Reassessments. Thus, the value of the real property within the Reassessment District is a critical factor in determining the investment quality of the Bonds. The unpaid Reassessments are not required to be paid upon sale of property within the Reassessment District. There is no assurance the owners will be able to pay the Reassessments or that they will pay such installments even though financially able to do so.

On June 28, 2012, the City filed a petition seeking relief under chapter 9 of the United States Bankruptcy Code (“chapter 9”) in the United States Bankruptcy Court for the Eastern District of California. The City believes that the filing of the petition under chapter 9 will not adversely impact the Local Obligations securing the Bonds, and the City intends to continue to fully perform all of its obligations with respect thereto. See “CITY OF STOCKTON – Effect of City Chapter 9 Filing,”

This cover page contains certain information for general reference only. It is not a summary of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY, THE COUNTY OF SAN JOAQUIN, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS OR THE LOCAL OBLIGATIONS. NEITHER THE BONDS NOR THE LOCAL OBLIGATIONS CONSTITUTE A DEBT OF THE CITY WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION. THE AUTHORITY HAS NO TAXING POWER.

The Bonds are offered when, as and if issued and accepted by the Underwriter subject to the approval of validity and certain other legal matters by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority. Certain legal matters will be passed upon for the City by the City Attorney and for the Underwriter by Jones Hall, A Professional Law Corporation. It is expected that the Bonds will be available for delivery in book-entry form on or about \_\_\_\_\_, 2014.

Dated August \_\_, 2014



RBC Capital Markets®

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification or filing under the securities laws of any such jurisdiction.

**MATURITY SCHEDULE\***

**Stockton Public Financing Authority  
Limited Obligation Revenue Bonds  
(Mosher Reassessment District 2014-1), Series 2014  
Base CUSIP: \_\_\_\_\_**

**\$ \_\_\_\_\_ Serial Bonds**

<b>Maturity September 2</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP<sup>†</sup></b>
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				

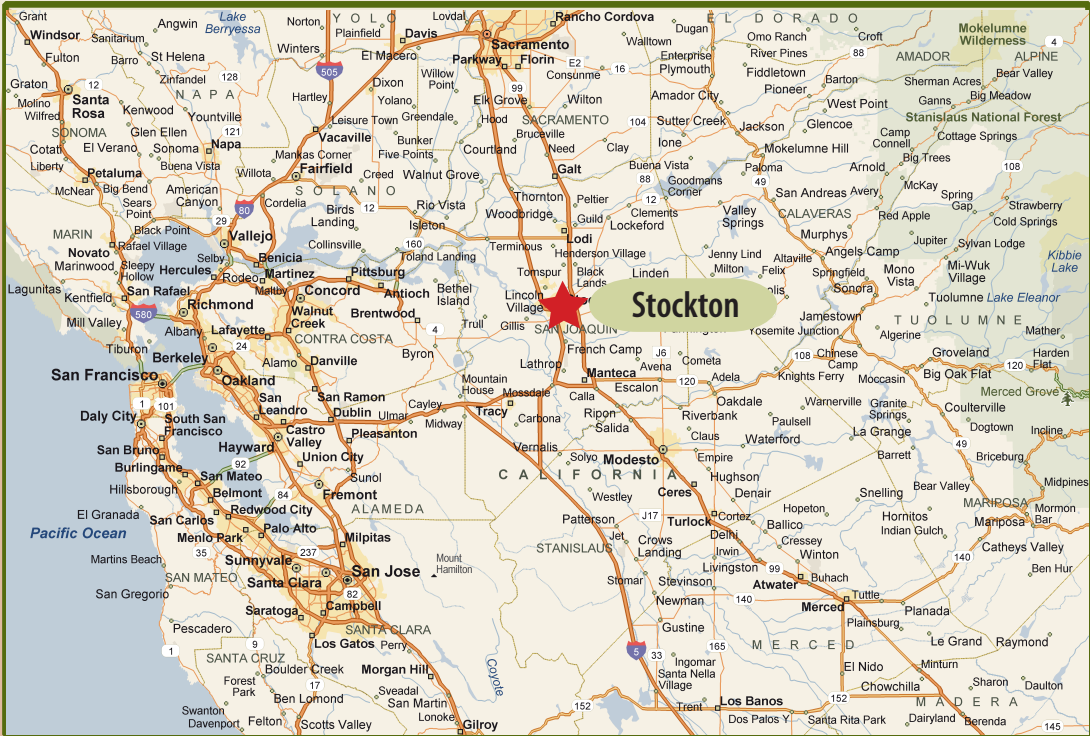
**\$ \_\_\_\_\_ % Term Bonds due September 2, 20\_\_ Priced to Yield \_\_\_\_ % CUSIP No. \_\_\_\_\_\***

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\* Preliminary, subject to change.

† Copyright 2014, American Bankers Association. CUSIP data herein is provided by Standard and Poor's. CUSIP Services Bureau, a division of the McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. The Authority, the City and the Underwriter take no responsibility for the accuracy of such numbers.

# STOCKTON • CALIFORNIA



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# STOCKTON PUBLIC FINANCING AUTHORITY

## Members of the Board Directors

Anthony Silva, *Chair*  
Paul Canepa, *Member*  
Dyane Burgos Medina, *Member*  
Elbert Holman, *Member*  
Katherine Miller, *Member*  
Michael Tubbs, *Member*  
Moses Zapien, *Member*

## CITY OF STOCKTON

### City Council

Anthony Silva, *Mayor*  
Paul Canepa, *Vice Mayor*  
Dyane Burgos Medina, *Councilmember*  
Elbert Holman, *Councilmember*  
Katherine Miller, *Councilmember*  
Michael Tubbs, *Councilmember*  
Moses Zapien, *Councilmember*

### City Staff

Kurt O. Wilson, *City Manager*  
Laurie M. Montes, *Deputy City Manager*  
Vanessa Burke, *Chief Financial Officer*  
Bonnie Paige, *City Clerk*  
John Luebberke, *City Attorney*

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### Special Services

#### Bond Counsel

Orrick, Herrington & Sutcliffe LLP

#### Trustee

Wells Fargo Bank, National Association  
Los Angeles, California

#### Municipal Advisor

Del Rio Advisors, LLC  
Modesto, California

#### Reassessment Engineer

Willdan Financial Services  
Temecula, California

#### Verification Agent

Grant Thornton, LLP  
Minneapolis, Minnesota

#### Escrow Agent

Wells Fargo Bank, National Association  
Los Angeles, California

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

**No Offering May Be Made Except by this Official Statement.** No dealer, broker, salesperson or other person has been authorized by the Authority, the City or the Underwriter to give any information or to make any representations with respect to the Bonds or the Local Obligations other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Authority, the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

**Effective Date.** This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the City, the Reassessment District, any other parties described in this Official Statement, or in the condition of property within the Reassessment District since the date of this Official Statement.

**Use of this Official Statement.** This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness. The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. All references to and summaries of the Trust Agreement or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

**Stabilization of and Changes to Offering Prices.** The Underwriter may over allot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

**Bonds are Exempt from Securities Laws Registration.** The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

**Involvement of Underwriter.** The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. All summaries of the Trust Agreement (as defined herein) or other documents referred to in this Official Statement, are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

**Estimates and Projections.** Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "projected," "budget" or other similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE AUTHORITY AND THE CITY DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

The City maintains a website. However, the information presented on that website is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

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## OFFICIAL STATEMENT

**\$13,500,000\***

**STOCKTON PUBLIC FINANCING AUTHORITY  
LIMITED OBLIGATION REVENUE BONDS  
(MOSHER REASSESSMENT DISTRICT 2014-1)  
SERIES 2014**

The purpose of this Official Statement, which includes the cover page, inside cover page and Appendices hereto (the “Official Statement”), is to provide certain information concerning the sale and issuance of the Stockton Public Financing Authority Limited Obligation Revenue Bonds (Mosher Reassessment District 2014-1), Series 2014 (the “Bonds”).

### INTRODUCTION

This introduction is not a summary of this Official Statement, and is qualified by the more complete and detailed information contained in the entire Official Statement and the documents described or summarized herein. The sale of Bonds to potential investors is made only by means of the entire Official Statement.

#### **Purpose of the Bonds**

The Bonds are being issued by the Stockton Public Financing Authority (the “Authority”) to assist with the refunding of certain outstanding bonds. The City of Stockton, California (the “City”) previously issued the City of Stockton Limited Obligation Improvement Bonds, Mosher Assessment District No. 2003-02, of which the unmatured principal amount of \$15,225,000 is currently outstanding (the “Prior Bonds”), to provide the City with money to finance the construction and acquisition of certain public improvements within the Reassessment District. In connection with the issuance of the Bonds, the City has formed the City of Stockton, Mosher Reassessment District No. 2014-1 (the “Reassessment District”) and concurrently with the issuance of the Bonds, the City will issue a series of reassessment bonds (the “Local Obligations”) the proceeds of which will be used to refund the Prior Bonds. Proceeds of the Bonds will be used to purchase the Local Obligations. The Local Obligations are being issued pursuant to provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds (Division 11.5 of the California Streets and Highways Code) (the “Act”).

#### **Purpose of the Local Obligations**

The Prior Bonds were issued by the City for the benefit of the City’s Mosher Assessment District No. 2003-02 (the “Prior Assessment District”) and the Local Obligations are being issued to assist the City in the refinancing of certain improvements of benefit to property within the Reassessment District for the following purposes: (i) to refund and defease the Prior Bonds on the date of issuance of the Bonds, (ii) to pay the costs of issuance of the Bonds and the Local Obligations and (iii) to provide for the funding of a reserve fund for the Bonds (the “Reserve Fund”). See “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF FUNDS.”

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\* Preliminary, subject to change.

## **The Local Obligations**

The City is issuing the Local Obligations to refund and defease the Prior Bonds. Concurrently with the issuance of the Bonds, the City is issuing the City of Stockton Limited Obligation Improvement Bonds, City of Stockton, Mosher Reassessment District No. 2014-1 (the Local Obligations herein). The Local Obligations are being issued by the City pursuant to the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds, consisting of Division 11.5 of the California Streets and Highways Code (the “1984 Act”). The Local Obligations will be purchased by the Authority and the primary source of repayment of the Bonds is Local Obligations payments received by the Trustee on behalf of the Authority.

## **Authority for Issuance**

The Bonds are being issued pursuant to the terms of a Trust Agreement dated as of August 1, 2014 (the “Trust Agreement”) between the Authority and Wells Fargo Bank, National Association (the “Trustee”) and the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, as amended from time to time.

## **Security for the Bonds and Local Obligations**

The Bonds are special, limited obligations of the Authority, payable from and secured by Revenues (as defined herein) of the Authority consisting primarily of payments received by the Authority from the City in connection with its ownership of the Local Obligations. The Bonds are secured by a first priority lien on and security interest in all of the Revenues and other amounts held in certain funds established under to the Trust Agreement. See “SECURITY FOR THE BONDS AND SOURCES OF PAYMENT – Revenues.”

The Local Obligations are secured by liens of unpaid reassessments levied against property in the Reassessment District (the “Reassessments”), as more fully described herein. Payments under the Local Obligations are calculated to be sufficient to permit the Authority to pay the principal of, premium, if any, and interest on the Bonds when due. Installments of principal and interest sufficient to meet annual debt service on the Local Obligations are included on the regular county tax bills sent to owners of property against which there are unpaid Reassessment installments. Principal of and interest on the Local Obligations are payable exclusively from Reassessment installments securing them. Unpaid Reassessments do not constitute a personal indebtedness of the owners of the parcels within the Reassessment District and the owners have made no commitment to pay the principal of or interest on the Bonds or Local Obligations or to support payment of the Bonds or Local Obligations in any manner. In the event of delinquency, proceedings may be conducted only against the particular parcel securing the delinquent Reassessment installments. Future unpaid Reassessments are not required to be paid upon sale of property within the Reassessment District.

The Reassessment District is comprised of 1,383 parcels (of which 1,374 are residential and 7 commercial or industrial and 2 are governmental per County Assessor records) in the City subject to the Reassessment levy for Fiscal Year 2014-15. The aggregate Fiscal Year 2013-14 County assessed valuation of property in the Reassessment District is \$373,048,414. The Prior Assessment District was originally formed to finance a portion of certain infrastructure improvements of benefit to the Prior Assessment District (the “Improvements”) consisting generally of street, water, sewer, and storm water drainage infrastructure improvements for the Prior Assessment District, which Improvements are owned, operated, and maintained by the City. The Improvements have been completed and most of the parcels in the Reassessment District are developed. See “THE REASSESSMENT DISTRICT” below.

The Local Obligations has a payment schedule which, in the aggregate, has been sized to pay debt service on the Bonds. The City is under no obligation to advance moneys to pay Bond debt service in the event of delinquent Reassessment installments.

### **Legal Authority**

*The Prior Assessment District, the Reassessment District and the Local Obligations.* The proceedings of the City to form the Reassessment District and to levy Reassessments therein were undertaken pursuant to the 1984 Act. All of the proceedings of the City to form the original assessment district and to levy the original assessments therein were undertaken pursuant to the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code) (the “1913 Act”). The Local Obligations are being issued pursuant to the terms of a Resolution of the City adopted July 29, 2014 (the “Local Obligation Resolution”). The Local Obligations will be registered in the name of the Trustee and will be pledged under the Trust Agreement to secure payment of the Bonds.

### **The City**

The City is located in California’s San Joaquin Valley, 78 miles east of the San Francisco Bay area, 345 miles north of Los Angeles and 45 miles south of Sacramento. The Stockton Metropolitan Statistical Area, which encompasses the entire County, covers approximately 1,400 square miles. The City is a municipal corporation and a charter city, duly organized and existing under the constitution and laws of the State. The City’s boundaries encompass 55.1 square miles. For more demographic and economic information regarding the City, See APPENDIX A – “GENERAL INFORMATION ABOUT THE COUNTY OF SAN JOAQUIN AND THE CITY OF STOCKTON.”

The Bonds are special, limited obligations of the Authority, payable from and secured by Revenues (as defined herein) of the Authority consisting primarily of payments received by the Authority from the City in connection with its ownership of the Local Obligations. Principal of and interest on the Local Obligations are payable exclusively from Reassessment receipts securing them. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS OR THE LOCAL OBLIGATIONS. THE LOCAL OBLIGATIONS AND INTEREST THEREON ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE CITY (INCLUDING THE CITY’S GENERAL FUND).

On June 28, 2012, the City filed a petition seeking relief under chapter 9 of the United States Bankruptcy Code (“chapter 9”) in the United States Bankruptcy Court for the Eastern District of California, The City believes that the filing of the petition under chapter 9 will not adversely impact the Local Obligations securing the Bonds, and the City intends to continue to fully perform all of its obligations with respect thereto. See “CITY OF STOCKTON – Effect of City Chapter 9 Filing,”

### **Limited Scope of Official Statement**

There follows in this Official Statement descriptions of the Authority, the Bonds, the Trust Agreement, the City, the Local Obligations, the Local Obligation Resolution and certain other documents. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions. All statements herein with respect to such documents are qualified in their entirety by reference to each such document for the complete details of all of their respective terms and conditions. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors’ rights generally. Terms not defined herein shall have

the meanings set forth in the Trust Agreement. See APPENDIX B – SUMMARY OF PRINCIPAL DOCUMENTS.”

The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the City since the date hereof.

All financial and other information presented in this Official Statement has been provided by the Authority and the City from their records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial or other affairs of the owners, the Reassessment District, the Authority or the City. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

### **PLAN OF REFUNDING**

The Bonds are being issued to (i) purchase the Local Obligations, (ii) to establish a Reserve Fund for the Bonds and (iii) pay costs of issuance of the Bonds and the Local Obligations. The Local Obligations are being issued concurrently with the issuance of the Bonds and will be purchased immediately upon issuance by the Authority using proceeds of the Bonds. The Local Obligations are being issued to refund the Prior Bonds. The Prior Bonds were issued to provide the City with money to finance the construction and acquisition of certain public improvements within the Reassessment District. Such improvements have been completed.

#### **Acquisition of the Local Obligations**

Proceeds of the Bonds will be used by the Authority (i) to purchase the Local Obligations, (ii) to establish a reserve fund for the Bonds and (iii) pay costs of issuance of the Bonds and the Local Obligations.

#### **Refunding of the Prior Bonds**

Proceeds of the Local Obligations will primarily be used to refund the Prior Bonds. On the date of issuance of the Local Obligations, a portion of the proceeds will be transferred to Wells Fargo Bank, National Association, as the Escrow Agent (the “Escrow Agent”) for the Prior Bonds for deposit into an Escrow Fund established for the Prior Bonds, under an Escrow Agreement dated as of August 1, 2014 by and between the City and the Escrow Agent. The amount deposited under the Escrow Agreement, together with other available moneys, will be invested in Government Obligations (as such are defined in the Escrow Agreement) and irrevocably pledged for the payment of the Prior Bonds on September 2, 2014.

The amounts held and invested by the Escrow Agent for the Prior Bonds in the Escrow Fund are pledged solely to the payment of amounts due and payable by the City under the Prior Bonds. Neither the funds deposited in the Escrow Fund for the Prior Bonds nor the interest on the invested funds will be available for the payment of debt service on the Local Obligations or the Bonds.

See “ESTIMATED SOURCES AND USES OF FUNDS” below. See also “MISCELLANEOUS – Verification of Mathematical Accuracy” below.

## THE BONDS

### Authority for Issuance

The Bonds are special, limited obligations of the Authority payable from and secured by payments made under the Local Obligations. The Local Obligations will be purchased by the Authority pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, as amended from time to time (the "Marks-Roos Law"). The Bonds are being issued pursuant to the provisions of the Marks-Roos Law, a Resolution adopted by the Authority and the Trust Agreement. The Local Obligations will be registered in the name of the Trustee and will be pledged under the Trust Agreement to secure payment of the Bonds.

The Local Obligations are being issued pursuant to provisions of the 1984 Act, proceedings taken thereunder by the City and a resolution (the "Local Obligation Resolution") adopted by the City Council and no additional bonds are contemplated under the Local Obligation Resolution.

### General

The Bonds will be dated the date of original delivery. The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers in the denomination of \$5,000 and any integral multiple thereof, under the book-entry system maintained by DTC. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners shall mean Cede & Co., and shall not mean the ultimate purchasers of the Bonds. Payments of the principal of, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co., by the Trustee, so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See APPENDIX C – "THE BOOK-ENTRY SYSTEM."

The principal of and redemption premiums, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Interest is payable on March 2, 2015, and semiannually thereafter on March 2 and September 2 each year (each, an "Interest Payment Date"). The Bonds shall bear interest from the date of original delivery. Payment of the interest on any Bond shall be made to the Person whose name appears on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date, for that purpose; except that in the case of an Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of any of Bonds, upon written request of such Owner to the Trustee, in form satisfactory to the Trustee, received not later than the Record Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer. The principal of and redemption premiums, if any, on the Bonds shall be payable at the Corporate Trust Office of the Trustee, upon presentation and surrender of such Bonds. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

### Redemption

*Extraordinary Redemption.* The Bonds are subject to extraordinary redemption as a whole or in part on any Interest Payment Date, and shall be redeemed by the Trustee, from moneys transferred from the Prepayment Account to the Redemption Fund pursuant to the Trust Agreement, and derived as a result of prepayments of Local Obligations, plus if applicable, amounts transferred from the Reserve Fund, as

hereinafter described, at a redemption price equal to the principal amount thereof, together with accrued interest to the redemption date, plus the following premium (expressed as a percentage of the principal amount) as follows:

<u>Redemption Date</u>	<u>Premium</u>
------------------------	----------------

Any extraordinary redemption of Bonds on or prior to September 2, 20\_\_, shall be applied on an inverse basis starting with the Bonds maturing on September 2, 20\_\_, followed by the Bonds maturing on September 2, 20\_\_, followed by the Bonds maturing on September 2, 20\_\_, followed by the Bonds maturing on September 2, 20\_\_.

*Optional Redemption.* The Bonds maturing on or before September 2, 2024 shall not be subject to optional redemption. The Bonds maturing on or after September 2, 2025 are subject to optional redemption as a whole or in part on any date on or after September 2, 2024, at the option of the Authority from any moneys deposited in the Redemption Fund from any source for such purpose by the Authority, at a redemption price equal to the principal amount thereof, together with accrued interest, without premium.

*Mandatory Sinking Fund Redemption.* The Bonds maturing on September 2, 20\_\_ are subject to mandatory redemption at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 2 in the respective years as set forth in the following table.

<u>Sinking Fund Redemption Date (September 2)</u>	<u>Principal Amount To Be Redeemed</u>
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*Redemption Instructions; Notice of Redemption.* In the event a portion, but not all, of the Outstanding Bonds are to be redeemed pursuant to extraordinary redemption or optional redemption, the Trustee shall select the amounts and maturities of Bonds for redemption in accordance with a Written Order of the Authority. Upon receipt of the Written Order of the Authority, the Trustee shall give notice of redemption of the Bonds (a “Notice of Redemption”), if in part stating the applicable CUSIP numbers, maturity dates and the portions of the principal amount thereof that have been called for redemption, or if all the Outstanding Bonds are to be redeemed, so stating. The notice shall further state (i) that such called Bonds will be due and payable on the date fixed for redemption upon surrender thereof to the Trustee at its Corporate Trust Office, (ii) at the redemption price, (iii) together with any accrued interest to such date, (iv) that all interest on the Bonds (or portions thereof) so to be redeemed will cease to accrue on and after such redemption date and (v) that from and after such redemption date such called Bond (or such portion thereof) shall no longer be entitled to any lien, benefit or security, and the Owner thereof shall have no rights in respect of such redeemed Bond or such portion except to receive payment from such money of such redemption price plus accrued interest to the date fixed for redemption. Each Notice of Redemption shall be mailed by first class mail at least thirty (30) but not more than sixty (60) days before

the date fixed for redemption, to the Owners of such Bonds (or portions thereof) called for redemption, at their respective addresses as the same shall last appear on the Bond Register. Each Owner may waive his, her or its rights to receive a Notice of Redemption pursuant to the Trust Agreement. Neither the failure of an Owner to receive a Notice of Redemption of Bonds nor any error in a Notice of Redemption shall affect the validity of the proceedings for the redemption of Bonds.

Any Notice of Redemption with respect to an optional redemption may be rescinded by written notice given by the Authority to the Trustee no later than two (2) Business Days prior to the date fixed for redemption. The Trustee shall give notice of such rescission as soon thereafter as practicable to the same parties and in the same manner as a Notice of Redemption was given.

*Selection of Bonds for Redemption.* Whenever less than all the Outstanding Bonds of any one maturity are to be redeemed on any one date, the Trustee shall select the particular Bonds to be redeemed by lot, and in selecting the Bonds for redemption the Trustee shall treat each Bond of a denomination of more than five thousand dollars (\$5,000) as representing that number of Bonds of five thousand dollars (\$5,000) denomination which is obtained by dividing the principal amount of such Bond by five thousand dollars (\$5,000), and the portion of any Bond of a denomination of more than five thousand dollars (\$5,000) to be redeemed shall be redeemed in an Authorized Denomination. The Trustee shall promptly notify the Authority in writing of the numbers of the Bonds so selected for redemption in whole or in part on such date.

*Payment of Redeemed Bonds.* If a Notice of Redemption has been given or waived, the Bonds (or portions thereof) called for redemption shall be due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Bonds to be redeemed at the Corporate Trust Office of the Trustee specified in the Notice of Redemption. If there shall be called for redemption less than the full principal amount of a Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond, and without charge to the Owner thereof, Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Bonds so surrendered in such Authorized Denominations as shall be specified by the Owner thereof.

If any Bond or any portion thereof shall have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, shall have been made or provided for by the Authority, then interest on such Bond or such portion shall cease to accrue from such date, and from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security hereunder, and the Owner thereof shall have no rights in respect of such Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

*Purchase in Lieu of Redemption.* In lieu of redemption of any Bond, amounts on deposit in the Proceeds Fund, the Principal Fund or in the Redemption Fund may also be used and withdrawn by the Trustee at any time prior to selection of Bonds for redemption having taken place with respect to such amounts, upon a Written Order for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the Authority may in its discretion determine, but not in excess of the redemption price thereof plus accrued interest to the purchase date. All Bonds so purchased will be delivered to the Trustee for cancellation.

## ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the Bonds are estimated to be disbursed as set forth below. Costs of issuance, which includes legal fees, printing costs, rating agency fees, Underwriter's discount, and other miscellaneous expenses, will be paid from proceeds of the Local Obligations.

### Sources:

- Principal Amount of Bonds
- Original Issue Premium/(Discount)
- Prior Reserve Funds
- Prior Redemption Funds

### **Total Sources**

### Uses:

- Purchase of Local Obligations
- Deposit to Reserve Fund
- Costs of Issuance

### **Total Uses**

The scheduled payment of principal and interest on the Bonds is calculated to be less than the aggregate principal and interest payments on the underlying Local Obligations, which will bear interest at a rate approximately 1% higher than the Bonds. The debt service schedule for the Bonds is shown below.



**Stockton Public Financing Authority  
 Limited Obligation Revenue Bonds  
 (Mosher Reassessment District 2014-1), Series 2014  
 ANNUAL DEBT SERVICE**

<b>Year Ending (Sept 2)</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
<b>Total:</b>			

The following table shows the debt service coverage for Bonds from Revenues derived from payments of principal and interest on the Local Obligations.

**Stockton Public Financing Authority  
Limited Obligation Revenue Bonds  
(Mosher Reassessment District 2014-1), Series 2014  
DEBT SERVICE COVERAGE\***

<u>Year Ending (September 2)</u>	<u>Bonds Debt Service</u>	<u>Local Obligations Debt Service</u>	<u>Coverage From Local Obligations<sup>(1)</sup></u>
2015	\$ 987,219	\$ 1,084,077	1.10x
2016	986,219	1,083,781	1.10x
2017	985,019	1,083,022	1.10x
2018	988,619	1,081,800	1.09x
2019	986,919	1,080,114	1.09x
2020	989,275	1,082,271	1.09x
2021	984,788	1,082,347	1.10x
2022	983,513	1,080,243	1.10x
2023	984,463	1,080,089	1.10x
2024	983,994	1,083,113	1.10x
2025	982,056	1,079,035	1.10x
2026	982,731	1,082,135	1.10x
2027	986,631	1,082,715	1.10x
2028	988,506	1,080,689	1.09x
2029	984,256	1,081,969	1.10x
2030	982,056	1,079,213	1.10x
2031	987,613	1,083,321	1.10x
2032	986,519	1,084,822	1.10x
2033	983,981	1,083,715	1.10x
Total	\$18,724,377	\$20,558,471	

<sup>(1)</sup> Coverage from Local Obligations is based on a 100 basis point interest rate spread between the Local Obligations and the Bonds.

**SECURITY FOR THE BONDS AND SOURCES OF PAYMENT**

**Limited Obligation**

The Bonds are secured by a lien on and pledge of (i) Revenues, as hereinafter defined, (ii) amounts held by the Trustee in the Funds established pursuant to the Trust Agreement, except the Rebate Fund and (iii) the Local Obligations (collectively, the “Trust Estate”). Revenues (as more particularly defined below) consist primarily of payments made by the City on the Local Obligations. All obligations of the Authority under the Trust Agreement and the Bonds are special, limited obligations of the Authority, payable solely from and secured by the Trust Estate.

**The Bonds are special, limited obligations of the Authority, payable from the Trust Estate described in the Trust Agreement and secured as to the payment of the principal of and the redemption premiums, if any, and the interest on in accordance with their terms and the terms of the Trust Agreement, solely by the Trust Estate. The Bonds shall not constitute a charge against the**

\* Preliminary, subject to change.

**general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of or redemption premiums, if any, or interest on the Bonds except from the Trust Estate. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of or redemption premiums, if any, or interest on the Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of or redemption premiums, if any, or interest on, the Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority. The Local Obligations and interest thereon are not payable from the general funds of the City (including the City's General Fund).**

The Local Obligations are a limited obligation of the City payable from Revenues (as defined below) and secured by a lien on the parcels within the Reassessment District and the City has covenanted to institute foreclosure proceedings under certain conditions to sell parcels with delinquent installments for amounts sufficient to cover such delinquent installments in order to obtain funds to pay debt service on the Local Obligations. Scheduled payments under the Local Obligations are calculated to be sufficient to provide the Authority with money to pay the principal of, premium, if any, and interest on the Bonds when due. The City is not obligated to advance available surplus funds from the City treasury to cure any deficiency with respect to any Local Obligations, provided, however, the City is not prevented, in its sole discretion, from so advancing funds legally available for such purpose.

**The Local Obligations have been calculated and sized to provide annual revenues in an amount sufficient to pay debt service on the Bonds. All obligations of the City with respect to the Local Obligations are not general obligations of the City, but are limited obligations, payable solely from the Reassessments and the funds pledged therefor under the Local Obligation Resolution. Neither the faith and credit of the City nor of the State of California (the "State") or any political subdivision thereof is pledged to the payment of the Local Obligations. The Local Obligations and interest thereon are not payable from the general funds of the City (including the City's General Fund).**

## **Revenues**

The Bonds are secured by a lien on and pledge of Revenues made in the Trust Agreement. Under the Trust Agreement:

"Revenues" shall mean the Reassessment Revenues and all other amounts received by the Trustee, as the payment of interest or premiums on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, all Local Obligations whether as a result of scheduled payments of Reassessment installments or as a result of Reassessment Prepayments or as a result of remedial proceedings taken in the event of a default in either case thereon, and all investment earnings on any moneys held in the Funds established under the Trust Agreement, except the Rebate Fund.

"Reassessment Revenues" shall mean all moneys collected and received by the City on account of unpaid reassessment obligations, including amounts collected in the normal course via direct billing by the City, Reassessment Prepayments, and amounts received by the City as a result of superior court foreclosure proceedings brought to enforce payment of delinquent reassessments, but excluding therefrom any amounts explicitly included therein on account of collection charges, administrative cost charges, or attorneys' fees and costs paid as a result of foreclosure actions.

“Reassessment Prepayments” shall mean that portion of Revenues which are paid to the City by or on behalf of the owner of a parcel subject to the reassessment obligation to accomplish a pay-off of the reassessment obligation pertaining to such parcel and the discharge of the reassessment lien respecting such parcel (except the portion thereof, if any, which represents accrued interest on the Local Assessment Obligations).

For more information on ownership of property and assessed valuation of property in the Reassessment District, see the tables and information above under the caption “REASSESSMENT DISTRICT.”

Under the Trust Agreement, all of the Revenues and the amounts in the Funds established by the Trust Agreement (except amounts in the Rebate Fund) are pledged by the Authority first to secure the payment of the principal of and interest on the Bonds, all in accordance with their terms and the provisions of the Trust Agreement. Said pledge constitutes a lien on and security interest in the Revenues upon the physical delivery thereof. In the Trust Agreement, the Authority transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the right, title and interest of the Authority in the Local Obligations. The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority and shall forthwith be paid by the Authority to the Trustee. The Trustee also is entitled to and may take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City under and with respect to the Local Obligations.

All Revenues, other than Revenues derived from Reassessment Prepayments (which shall be deposited in the Prepayment Account and administered in accordance with the Trust Agreement), received by the Trustee shall be deposited by the Trustee into the Revenue Fund. Not later than each Interest Payment Date and Principal Payment Date on the Bonds, the Trustee shall transfer Revenues from the Revenue Fund, in the amounts specified in for deposit into the Principal Fund and Expense Fund, for deposit into the respective Funds as required under the Trust Agreement in the order of priority set forth therein, the requirements of each Fund to be fully satisfied, leaving no deficiencies therein, prior to any deposit into any Fund later in priority. Any amount remaining in the Revenue Fund after making such deposits shall be transferred to the City for deposit in the Local Obligation Redemption Fund.

## **Reserve Fund**

*Establishment of Reserve Fund.* A reserve fund (the “Reserve Fund”) for the Bonds is established by the Trust Agreement and held by the Trustee in trust for the benefit of the Authority and the Owners of the Bonds. The Reserve Fund will be initially funded from proceeds of the Bonds in the amount set forth in the table under the caption “ESTIMATED SOURCES AND USES OF FUNDS” and is required to be maintained at the “Reserve Requirement” which is, as of any date of calculation, the lesser of (i) Maximum Annual Debt Service on the Bonds, (ii) 125% of Average Annual Debt Service, or (iii) 10% of the amount (within the meaning of Section 148 of the Code) of the Bonds; which amount shall be reduced in the event of an Extraordinary Redemption or Optional Redemption of the Bonds.

*Use of Reserve Fund.* Having first satisfied the requirements of the Trust Agreement requiring deposits into the Interest Fund and the Principal Fund, the Trustee shall next deposit in the Reserve Fund an amount of Revenues sufficient to sustain the Reserve Requirement.

Except as otherwise provided in the Trust Agreement, all amounts in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on or the principal or the

redemption premiums, if any, of, the Bonds; but solely in the event that insufficient moneys are available in the Interest Fund, the Principal Fund or the Redemption Fund for such purpose.

THE AUTHORITY AND THE CITY HAVE NO OBLIGATION TO REPLENISH THE RESERVE FUND EXCEPT TO THE EXTENT THAT DELINQUENT ASSESSMENTS ARE PAID OR PROCEEDS FROM FORECLOSURE SALES ARE REALIZED.

### **Payment of the Local Obligations**

The Local Obligations are issued upon and are secured by the Reassessments levied against property in the Reassessment District, together with interest thereon and such unpaid Reassessments together with interest thereon constitute a trust fund for the redemption and payment of the principal of such Local Obligations and the interest thereon. The Local Obligations are secured by the moneys in the funds created pursuant to the applicable reassessment proceedings and by the Reassessments levied.

**Unpaid Reassessment do not constitute a personal indebtedness of the owners of the parcels within the Reassessment District and the owners of such parcels have made no commitment to pay the principal of or interest on the Local Obligations or the Bonds or to support payment of the Local Obligations or Bonds in any manner. In the event of delinquency, proceedings may be conducted only against the real property securing the delinquent Reassessments. Thus, the value of the real property within the Reassessment District is a critical factor in determining the investment quality of the Bonds. The unpaid Reassessments, are not required to be paid upon sale of property within the Reassessment District. There is no assurance the owners of parcels within the Reassessment District will be able to pay the Reassessments or that they will pay such installments even though financially able to do so.**

Revenues will be collected and transferred by the County to the City, which shall then remit them to the Trustee, in approximately equal semi-annual installments, together with interest on the declining balances, and are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general taxes on real property in the Reassessment District. The properties upon which the assessments were levied are subject to the same provisions for sale and redemption as are properties for non-payment of general taxes.

Neither the faith and credit nor the taxing power of the City, the County, the State of California or any political subdivision thereof is pledged to the payment of the Local Obligations. The Local Obligations and interest thereon are not payable from the general funds of the City (including the City's General Fund).

### **Priority of Lien**

The Reassessment and each installment thereof and any interest and penalties thereon constitute a lien against the parcels on which they were imposed until the same are paid. Such lien is subordinate to all fixed special assessment liens previously imposed upon the same property, but has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property. Property in the Reassessment District is subject to other direct debt, as shown in the tables included herein under the caption "THE REASSESSMENT DISTRICT."

### **Limited Obligation Upon Delinquency**

ALL OBLIGATIONS OF THE AUTHORITY UNDER THE TRUST AGREEMENT AND THE BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM AND

SECURED BY THE TRUST ESTATE. THE LOCAL OBLIGATIONS ARE LIMITED OBLIGATIONS OF THE CITY PURSUANT TO THE 1984 ACT AND ARE PAYABLE SOLELY FROM AND ARE SECURED SOLELY BY THE RELATED REASSESSMENTS AND THE AMOUNTS PAYABLE ON THE LOCAL OBLIGATIONS.

THE AUTHORITY AND THE CITY HAVE NO OBLIGATION TO ADVANCE MONEYS TO PAY BOND DEBT SERVICE IN THE EVENT OF DELINQUENT REASSESSMENT INSTALLMENTS. OWNERS OF BONDS SHOULD NOT RELY UPON THE AUTHORITY OR THE CITY TO ADVANCE MONEYS TO THE LOCAL OBLIGATION REDEMPTION FUND OR OTHER FUNDS, NOTWITHSTANDING THE FOREGOING, THE CITY MAY, AT ITS SOLE OPTION AND IN ITS SOLE DISCRETION ELECT TO ADVANCE AVAILABLE SURPLUS FUNDS OF THE CITY LEGALLY AVAILABLE THEREFOR TO PAY FOR ANY DELINQUENT INSTALLMENTS PENDING SALE, REINSTATEMENT, OR REDEMPTION OF ANY DELINQUENT PROPERTY.

THE LOCAL OBLIGATIONS AND INTEREST THEREON ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE CITY (INCLUDING THE CITY'S GENERAL FUND).

### **Collection of Reassessments**

Pursuant to the Act, installments of principal and interest sufficient to meet annual debt service on the Local Obligations are included on the regular county tax bills sent to owners of property against which there are unpaid Reassessments. These annual Reassessment installments are to be paid into the Local Obligation Redemption Fund established in connection with the issuance of the Local Obligations and transferred to Wells Fargo Bank, National Association, as paying agent for the Local Obligations, to be used to pay debt service on the Local Obligations as it becomes due. The Local Obligations will be registered in the name of the Trustee for the Bonds, who will use the amounts it receives as holder of the Local Obligations to pay principal and interest payments on such the Bonds as they become due, pursuant to the Trust Agreement.

The City has no obligation to advance funds with respect to the Local Obligations except to the extent that delinquent Reassessments are paid or proceeds from foreclosure sales are realized. The Local Obligations are limited obligations of the City payable from the Reassessments and the City has no obligation to advance funds to pay the Limited Obligations, except from the Reassessment Revenues. Likewise, the Bonds are a limited obligation of the Authority and the Authority has no obligation to advance funds to pay the Bonds, except from the Trust Estate as provided in the Trust Agreement, which is principally derived from payments received on the Local Obligations.

### **San Joaquin County Teeter Plan**

The County and its subsidiary political subdivisions operate under the provisions of Sections 4701 through 4717, inclusive, of the Revenue and Taxation Code of the State of California, commonly referred to as the "Teeter Plan," with respect to property tax collection and disbursement procedures. These sections provide an alternative method of apportioning secured taxes whereby agencies levying taxes through the County tax roll may receive from the County 100% of their taxes at the time they are levied. The County treasury's cash position (from taxes) is insured by a special tax loss reserve fund, accumulated from delinquent penalties.

The Teeter Plan method of apportioning taxes extends to all assessments being collected on the County tax roll. Although a local agency currently receives the total levy for its special assessments, without regard to actual collections, the basic legal liability for assessment deficiencies at all times remains with the sponsoring agency and, therefore, the alternative method of tax apportionment only

assists the agency in the current financing of the maturing debt service requirements. The Board of Supervisors may discontinue the procedures under the Teeter Plan altogether, or with respect to any tax or assessment levying agency in the County, if the rate of secured tax and assessment delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency.

The special assessment installments for the Reassessment District will be collected pursuant to the procedures described above. Thus, so long as the County maintains its policy of collecting assessments pursuant to said procedures and the City meets the Teeter Plan requirements, the City will receive 100% of the annual assessment installments levied without regard to actual collections in the District. In practice, however, the City is likely to remove delinquent assessment collection from the tax roll so as to pursue foreclosure proceedings and once the property is removed, Teeter Plan collection will no longer be applicable to such property. Further, there is no assurance that the County Board of Supervisors will maintain its policy of apportioning assessments pursuant to the aforementioned procedures.

### **Covenant to Commence Superior Court Foreclosure on Reassessments**

The 1984 Act provides that in the event any Reassessment or installment thereof or any interest thereon is not paid when due, the City may order the institution of a court action to foreclose the lien of the unpaid Reassessment and acquire title to the parcel to which the delinquency relates. In such an action, the real property subject to the unpaid Reassessments may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. However, the City has covenanted in the Local Obligation Resolution for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Reassessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 and 8835, inclusive of the Bond Law and the conditions specified in the Local Obligation Resolution. The Chief Financial Officer shall notify legal counsel to the City of any such delinquency of which the Chief Financial Officer is aware, and such counsel shall commence, or cause to be commenced, such foreclosure proceedings, including collection actions preparatory to the filing of any complaint. The following conditions shall apply to the foreclosure proceedings which shall be commenced within 60 days of any of the following determinations which shall be made by the City not later than October 1 of each Fiscal Year, provided that the City may undertake foreclosure proceedings sooner than specified below. As used herein, the term "Fiscal Year" shall mean the fiscal year of the Authority and the City, which at the date hereof is the period commencing on July 1 in each calendar year and ending on June 30 in the following calendar year.

(A) *Individual Delinquencies.* If the City determines that any single parcel subject to the Reassessment in the District is delinquent in the payment of Reassessments in the aggregate amount of \$3,000 or more, then the City shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 60 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the City within 120 days of such determination.

(B) *Aggregate Delinquencies.* If the City determines that the total amount of delinquent reassessment for the prior Fiscal Year for the entire Reassessment District, (including the total of delinquencies under subsection (A) above), if (1) the sum of uncured assessment delinquencies for the preceding Fiscal Year exceeds five percent (5%) of the assessment installments posted to the tax roll for that Fiscal Year or (2) there is an unscheduled draw on the reserve fund relating to the Bonds that causes such reserve fund to fall below the required reserve, the City shall notify or cause to be notified property owners who are then delinquent in the payment of reassessments (and demand immediate payment of the

delinquency) within 60 days of such determination, and shall commence foreclosure proceedings within 120 days of such determination against each parcel of land in the Reassessment District with a reassessment delinquency.

The City Council has further covenanted in the Local Obligation Resolution for the benefit of the registered owners of the Local Obligations and the registered owners of the Bonds that it will monitor the records of the Auditor-Controller of San Joaquin County for the purpose of ascertaining the occurrence of any delinquency.

In California, the statutory right of redemption from such a judicial foreclosure sale provides that before notice of sale of the foreclosed parcel can be given following court judgment of foreclosure, a redemption period of 120 days must elapse. Furthermore, if the purchaser at the sale is the judgment creditor (here, the City) an action may be commenced by the delinquent property owner within six months after the date of sale to set aside such sale. The constitutionality of this statutory provision, which repealed a one-year redemption period effective in California until 1983, has not been tested and there can be no assurance that, if tested, such laws will be upheld. In the event such Superior Court foreclosure or foreclosures are necessary, there may be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale; it is also possible that no bid for the purchase of the applicable property would be received at the foreclosure sale. See also “RISK FACTORS – Bankruptcy and Foreclosure” and “ – Availability of Funds to Pay Delinquent Reassessment Installments,” “– Limited Obligation Upon Delinquency” and “– Collection of the Reassessment” herein.

#### **No Additional Bonds**

The Trust Agreement does not permit the creation by the Authority or the City of any lien prior to or on a parity with the lien upon the Trust Estate, or which will affect the times, amounts and currency of payment of the principal of or the redemption premiums, if any, on or the interest on the Bonds, or which will affect the rights, duties or obligations of the Trustee, without the consent of the Trustee and the Owners affected thereby.

### **THE REASSESSMENT DISTRICT**

#### **General Description**

In connection with the issuance of the Local Obligations and the Bonds, the City has undertaken proceedings to establish the City of Stockton, Mosher Reassessment District No. 2014-1 (the “Reassessment District” herein). The Local Obligations are being issued by the City on behalf of the Reassessment District to the Prior Bonds of the Prior Assessment District. The Bonds are being issued to acquire the Local Obligations.

The Prior Assessment District was comprised of contiguous and non-contiguous land partitioned into three areas designated as Areas, A, B and C located in the northeastern portion of the City. Area A straddles Holman Road and is bordered by Mosher Slough to the south and the Union Pacific Railroad to the west. Area B, the southernmost portion of the Reassessment District, lies between Holman Road to the west and State Highway 99 Frontage Road to the east. Marantha Drive, existing in a north/south direction, and Inspiration Drive, existing in an east/west direction, intersects and divides Area B into four similarly sized quadrants. Area C, adjacent to Area B to the south, straddles Morada Lane and is bordered by State Highway 99 Frontage Road to the east. Morada Lane provides immediate access to State Highway 99 just east of the Reassessment District.



The Reassessment District is comprised of 1,383 parcels (of which 1,374 are residential and 7 commercial or industrial and 2 are governmental per County Assessor records) encompassing approximately 341 acres in the City subject to the Reassessment levy for Fiscal Year 2014-15. The Reassessment District is 100% developed, consisting of approximately 91% of developed residential and 8% of developed commercial, with the remainder governmental. The Prior Assessment District was originally formed to finance a portion of certain infrastructure improvements of benefit the Prior Assessment District, consisting generally of street, water, sewer, and storm water drainage infrastructure improvements for the Prior Assessment District. The Improvements have been completed and are owned, operated, and maintained by the City.

Areas A & B, the residential components of the Reassessment District, contain 182.05 and 122.20 acres, respectively. Area C abuts Highway 99 and is principally commercial with some multifamily uses. The northern portion of Area C, the commercial use component, contains 14.90 acres. The southern portion of Area C, includes multifamily residential development and contains 21.98 acres. The topography of the property in the Reassessment District is generally level. The Reassessments range from approximately \$6,779 to \$10,131 per single-family residence.

A reassessment diagram and map is shown in APPENDIX F – “REASSESSMENT REPORT.”

Primary access to the property in the Reassessment District is provided via Holman Road, Morada Lane, and State Highway 99 Frontage Road, all of which are main roadways through the area. The Holman Road extension connects Hammer Lane with Morada Lane to the north. Both Morada Lane and Hammer Lane provide immediate access to State Highway 99 to the east. Hammer Lane also provides direct access to Interstate 5, approximately five miles west of the Reassessment District. Access within the properties via interior streets. Inspiration Drive and Marantha Drive, interior streets within Area B, and Salvatore Lane, an interior street within Area A, will provide access to the residential component. Morada Lane provides access to both portions (multifamily and commercial) of Area C.

### **The Reassessments**

Subject only to the provisions of the Local Obligation Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Local Obligation Resolution, all of the Reassessments (including prepayments thereof), together with interest and any penalties thereon, and any other amounts (including proceeds of the sale of the Local Obligations) held in any fund or account established pursuant to the Local Obligation Resolution are pledged by the City to secure the payment of the principal of, premium, if any, and interest on the Local Obligations in accordance with their terms, the provisions of the Local Obligation Resolution and the Act. Said pledge will constitute a first lien on such assets.

Pursuant to the Act, the Bonds are issued on the basis of findings by the City that (1) each estimated Reassessment Installment, is less than the corresponding annual installment of principal and interest on the portion of the original assessment or reassessment being superseded and supplanted, by the same percentage for each assessment or reassessment district within the Reassessment District, provided that any amount added to the annual installments on the reassessment due to a delinquency in payment on the original assessment or reassessment need not be considered in this calculation; (2) the number of years to maturity of the Bonds is not more than the number of years to the last maturity of the applicable Prior Bonds, and (3) the principal amount of the Reassessment on each subdivision of land within the Reassessment District is less than the unpaid principal amount of the portion of the original assessment or reassessment within each previously formed assessment district and reassessment district relating to the Prior Bonds being superseded and supplanted by the same percentage for each subdivision of land within each previously formed assessment district and reassessment district relating to the Prior Bonds

constituting a portion of the Reassessment District, provided that any amount added to a reassessment because of a delinquency in payment on the original assessment or reassessment need not be considered in this calculation. Under the Act, any reassessment so approved and confirmed shall not be deemed to be an assessment within the meaning of, and may be ordered without compliance with the procedural requirements of, Article XIID of the California Constitution. See “RISK FACTORS – Proposition 218.”

The City will comply with all requirements of the Act and the Local Obligation Resolution to assure the timely collection of the Reassessments, and interest thereon, including, without limitation, the enforcement of delinquent Reassessments. Any funds received by the City in and for the Reassessment District, including, but not limited to, collections of Reassessments (including prepayments thereof), and interest thereon, upon the secured tax rolls, collections of delinquent Reassessments and interest and penalties thereon, through foreclosure proceedings or otherwise, and collections of amounts for the Continuing Costs of the Bonds, will as soon as practicable be transmitted directly to the Fiscal Agent, without deduction, to be deposited into the funds and accounts under the Local Obligation Resolution. Pursuant to the Local Obligation Resolution, the Fiscal Agent will establish, maintain and hold in trust the Redemption Fund and the following accounts therein: the Prepayment Account and the Continuing Costs Account. In addition, the Fiscal Agent will establish, maintain and hold in trust the Reserve Fund. The Bonds are secured by the amounts held in such funds and accounts. Principal of and interest on the Bonds are payable exclusively out of the Redemption Fund.

Payments of the principal of, premium, if any, and interest on the Bonds are payable solely from the Reassessments and the other assets pledged therefor under the Local Obligation Resolution, together with interest and any penalties received with respect thereto, and any other amounts (including proceeds of the sale of the Bonds) held in any account established pursuant to the Local Obligation Resolution for the Bonds. Pursuant to the Local Obligation Resolution, the Fiscal Agent will establish, maintain and hold in trust a special fund designated the “Redemption Fund.” Except as otherwise provided in the Local Obligation Resolution, the Fiscal Agent will deposit in the Redemption Fund all Reassessments (other than prepayments thereof), together with interest and any penalties thereon, and any other amounts required to be deposited therein by the Local Obligation Resolution or the Act. Notwithstanding any other provision of the Local Obligation Resolution, the City is not obligated to advance available funds from the City treasury to cure any deficiency in the Redemption Fund. All obligations of the City under the Bonds are not general obligations of the City, but are limited obligations, payable solely from the Reassessments and the other assets pledged therefor under the Local Obligation Resolution. Neither the faith and credit nor the taxing power of the City or the State, or any political subdivision thereof, is pledged to the payment of the Bonds.

Under the Act, any reassessment so approved and confirmed shall not be deemed to be an assessment within the meaning of, and may be ordered without compliance with the procedural requirements of, Article XIID of the California Constitution. See “RISK FACTORS – Proposition 218.”

The amount of the Reassessment was calculated for each of the individual parcels of land securing the Prior Bonds and reduced proportionally among those parcels securing such Prior Bonds.

Payments of the principal of, premium, if any, and interest on the Local Obligations are payable solely from the Reassessments and the other assets pledged therefor under the Local Obligation Resolution, together with interest and any penalties received with respect thereto, and any other amounts (including proceeds of the sale of the Local Obligations) held in any account established pursuant to the Local Obligation Resolution (except the Rebate Fund). Pursuant to the Local Obligation Resolution, the Paying Agent will establish, maintain and hold in trust a special fund designated the “Redemption Fund.” Except as otherwise provided in the Local Obligation Resolution, the Paying Agent will deposit in the Redemption Fund all Reassessments (other than prepayments thereof), together with interest and any

penalties thereon, and any other amounts required to be deposited therein by the Local Obligation Resolution or the Act. Notwithstanding any other provision of the Local Obligation Resolution, the City is not obligated to advance available funds from the City treasury to cure any deficiency in the Redemption Fund. All obligations of the City under the Local Obligations are not general obligations of the City, but are limited obligations, payable solely from the Reassessments and the other assets pledged therefor under the Local Obligation Resolution. Neither the faith and credit nor the taxing power of the City or the State, or any political subdivision thereof, is pledged to the payment of the Local Obligations.

### **Reassessment Installments**

The Reassessments and interest thereon, will be payable and be collected in the same manner at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. The Reassessments, together with the interest thereon, will be payable in each year preceding the date of maturity of the Local Obligations in an amount sufficient, together with other amounts available therefor, to pay the principal of the Local Obligations, and interest thereon, when due.

All moneys collected by the City as administrative costs pertaining to administration of the reassessments and the Local Obligations shall also be deposited in the Expense Fund. All money in the Expense Fund shall be disbursed on such dates and in such amounts as are necessary to pay all costs of administering the reassessments and the Local Obligations (as provided under the Act), including all expenses incident to administering installments and prepayments collected on account of the unpaid reassessments, apportioning the reassessments if necessary in the event of division of any reassessment parcel, and all expenses incident to the calling, retiring or paying of the Local Obligations, and including, but not limited to, fees of bond counsel, underwriters, trustees, certified public accountants and rating agencies, continuing disclosure service providers, administrative expenses of the City, administrative expenses and charges of the City in connection with its administration of the City of Stockton, Mosher Reassessment District No. 2014-1, the Local Obligations and the Bonds.

On or before each Interest Payment Date, the Paying Agent will withdraw from the Redemption Fund for payment to the Owners of the Local Obligations the principal, if any, of and interest then due and payable on the Local Obligations. Five Business Days prior to each Interest Payment Date, the Paying Agent will determine if the amounts then on deposit in the Redemption Fund are sufficient to pay the principal, if any, of and interest due on the Local Obligations on such Interest Payment Date. In the event that amounts in the Redemption Fund are insufficient for such purpose, the Paying Agent, on or before such Interest Payment Date, will withdraw from the Reserve Fund to the extent of any funds therein the amount of such insufficiency, and will transfer any amounts so withdrawn to the Redemption Fund. Amounts so withdrawn from the Reserve Fund and deposited in the Redemption Fund will be applied to the payment of the Local Obligations. The City will not be obligated to advance available funds of the City to cure any deficiency which may occur in the Redemption Fund; provided, however, that said determination will not prevent the City, in its sole discretion, from so advancing funds.

Any Reassessment may be prepaid at any time by paying, in whole or part, the unpaid amount thereof less, if available, the amount, if any, transferred to the Redemption Fund from the Reserve Fund pursuant to the Local Obligation Resolution, together with the redemption premium, if any, set forth in the Local Obligation Resolution and interest on such prepaid Reassessment (if not collected in a Reassessment installment) to the earliest redemption date for which notice of redemption may be given in accordance with the Local Obligation Resolution.

The Reassessment District is included in the County's Teeter Plan, which is an alternative method for the distribution of secured property taxes to local agencies. If the County's Teeter Plan is terminated (or if the County fails to make payments to the City when due under the Teeter Plan), the failure of any owners to pay Reassessment installments in a timely manner could result in the unavailability of money to pay the principal of or interest on the Local Obligations. See "San Joaquin County Teeter Plan" below.

### **Priority of Lien**

The Reassessments and each Reassessment installment and any interest and penalties thereon, constitute a lien against the respective parcels of assessable property within the Reassessment District until the same are paid. Such lien is subordinate to all fixed special assessment liens previously imposed upon the same property but has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property. Such lien is co-equal to and independent of the lien for general taxes and any lien imposed under the Mello-Roos Community Facilities Act of 1982, as amended. See "THE REASSESSMENT DISTRICT – Direct and Overlapping Debt" herein for a description of other special taxes or assessments secured by a lien on property within the Reassessment District.

### **Existing Liens**

Contained within the Reassessment District are numerous overlapping local agencies providing public services and having liens against the respective parcels of assessable property within the Reassessment District. See "THE REASSESSMENT DISTRICT – Direct and Overlapping Debt" herein. Among other liens, the assessable parcels of property in the Reassessment District are subject to an annual maintenance assessment levied by the City for street lighting, landscape and park maintenance.

### **Method of Reassessment**

At the time of formation of the Prior Assessment District, the estimated total amount of the Prior Assessment Bonds was apportioned among the parcels with unpaid assessments within the boundaries of the Prior Assessment District. The amount was distributed in proportion to the ratio of the unpaid balance on the original assessment for each individual parcel within the Prior Assessment District to the total unpaid balance on the original assessment of all of the parcels within the Prior Assessment District. The estimated amount of each original assessment, identified by assessment number, is shown in the assessment report prepared by the original assessment engineer, and is on file with the City.

The Reassessments replace the original assessments created at the time the Prior Assessment District was created. The 1913 Act does not define specific formulas for allocation of project costs among the parcels within the Prior Assessment District. The 1913 Act, however, requires each parcel to be assessed its share of the project costs in accordance with the benefit conferred on each parcel by construction of the Improvements. Assessment spread formulae are typically based on land area, actual or adjusted street frontage, utility service consumption, and traffic generation or a combination thereof. At the time of formation of the Prior Assessment District, the Engineer of Work appointed by the City provided the assessment spread formula for the Prior Assessment District. The assessment spread formula as originally set forth in the Engineer's Report for the Prior Assessment District provided for an assessment amount for each large lot parcel in the respective Prior Assessment District, which per-parcel amount was allocated to the subdivided lots in the Prior Assessment District as subdivision of the property occurred. The formula for use in determining the portion of the original assessment within the Prior Assessment District allocable to each subdivided lot was based on the anticipated subdivision plans set forth in the tentative and final maps and other information available to the Engineer of Work from the City. The reassessment spread created in connection with the Reassessment District similarly allocates the

total Reassessment among all properties in the Reassessment District, using a lesser amount as a result of the refunding of the Prior Bonds.

### **Ownership of Property**

Unpaid Reassessments do not constitute a personal indebtedness of the owners of the parcels within the Reassessment District and the owners have made no commitment to pay the principal of or interest on the Local Obligations or the Bonds or to support payment of the Local Obligations or the Bonds in any manner. There is no assurance that the owners have the ability to pay the Reassessment installments or that, even if they have the ability, they will choose to pay such installments. An owner may elect to not pay the Reassessments when due and cannot be legally compelled to do so. Neither the City nor any Owner of Bonds will have the ability at any time to seek payment from the owners of property within the Reassessment District of any Reassessment or any principal or interest due on the Bonds, or the ability to control who becomes a subsequent owner of any property within the Reassessment District.

Property in the Reassessment District is comprised principally of homes occupied by homeowners, with some supporting commercial or industrial development. The Prior Assessment District was originally formed to finance a portion of certain infrastructure improvements to support residential development, consisting generally of street, water, sewer, and storm water drainage infrastructure improvements for the Prior Assessment District, which Improvements are completed and owned, operated, and maintained by the City. Most of the developed property in the Reassessment District is completed single-family homes owned by individual homeowners.

For more information on ownership of property and assessed valuation of property in the Reassessment District, as part of the Reassessment District, see the tables and information above under the caption "REASSESSMENT DISTRICT."

### **Reassessment Proceedings**

The proceedings for the Reassessment District were conducted pursuant to the Act and a resolution adopted by the City Council on July 29, 2014. The City Council confirmed a total Reassessment in the Reassessment District of \$14,160,000 on July 29, 2014 on the basis of the preliminary principal amount for the Bonds, and recorded such confirmed Reassessment. Willdan Financial Services, Anaheim, California (the "Reassessment Engineer"), prepared a written report, dated April 2014 (the "Engineer's Report"), which contains, among other things, the proposed Reassessment for each of the parcels in the Reassessment District. With respect to the Prior Assessment District described herein for which the City completed its proceedings for the levy of assessments after July 1, 1997, the City complied with the provisions of Section 4 of Article XIID. The total amount of the proposed Reassessments was based upon the Reassessment Engineer's estimated cost of redemption of the Prior Bonds and findings by the City that (1) each estimated Reassessment installment attributable to the Prior Assessment District, is less than the corresponding annual installment of principal and interest on the portion of the original assessment within such Prior Assessment District being superseded and supplanted, by the same percentage for each parcel within such Prior Assessment District, provided that any amount added to the annual installments on the Reassessment due to a delinquency in payment on the original assessment need not be considered in this calculation (which addition is not applicable to the Reassessment); (2) the number of years to maturity of the Bonds relating to a group of Prior Bonds is not more than the number of years to the last maturity of the Prior Bonds, and (3) the principal amount of the Reassessment on each subdivision of land within the Reassessment District relating to the Prior Assessment District is less than the unpaid principal amount of the portion of the original assessment within such Prior Assessment District being superseded and supplanted by the same percentage for each

subdivision of land within such Prior Assessment District, provided that any amount added to a Reassessment because of a delinquency in payment on an original assessment need not be considered in this calculation (which addition is not applicable to this Reassessment). The Reassessment Report will be updated to reflect an aggregate reassessment equal to the \$13,500,000\* principal amount of Bonds and filed with the City.

### **Assessment Proceedings**

The Prior Assessment District was established pursuant to provisions of the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code) (the “Act”), the Bond Law, proceedings taken by the City pursuant to the provisions of Resolution No. 03-0349 adopted by the City Council of the City on June 24, 2003 and a Fiscal Agent Agreement dated as of September 1, 2003, between the City and Wells Fargo Bank, National Association, San Francisco, California. The assessment proceedings resulted in the levy of a total Assessment of \$18,210,000 against property within the Prior Assessment District; after issuance of the Prior Bonds, no additional bonds will be issued secured by the Assessments.

### **Valuation of Property in the Reassessment District**

The value of the land within the Reassessment District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of Reassessment installments, the City’s only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Reassessments. See “SECURITY FOR THE BONDS AND SOURCES OF PAYMENT – Covenant to Commence Superior Court Foreclosure on Reassessments” and “RISK FACTORS – Bankruptcy and Foreclosure.” Reductions in Reassessment District property values due to a downturn in the economy, natural disasters such as earthquakes or floods, stricter land use regulations or other events could have an adverse impact on the security for payment of Reassessments.

In connection with valuing property in the Reassessment District, the City has obtained the 2013-14 County assessed valuation (the “Assessed Valuation”) of the property in the Reassessment District. As provided by Article XIII A of the California Constitution, county assessors’ assessed values are to reflect market value as of the date the property was last assessed (or 1975, whichever is more recent), increased by a maximum of 2% per year, subject to certain exceptions. Properties may be reassessed by the County only upon a change of at least 51% ownership of existing property or upon new construction. The assessed values of parcels in the Reassessment District thus reflect, for undeveloped parcels, the estimate of the County Assessor (the “Assessor”) of market value when acquired (or 1975, whichever is later), possibly increased by 2% per year, and for parcels on which construction has occurred since their date of acquisition, the Assessor’s estimate of market value as of the time of construction, possibly increased by 2% per year. The actual market value of parcels in the Reassessment District, if sold at foreclosure, may be higher or lower than the Assessor’s assessed values, depending upon the date of the Assessor’s most recent assessment. The actual fair market value of any parcel can often be more accurately established through an arms-length sale or an appraisal by an independent appraiser. The City has not undertaken an independent appraisal of any parcel.

The Reassessment District is comprised of 1,383 parcels (of which 1,374 are residential and 7 commercial or industrial and 2 are governmental per County Assessor records), subject to the Reassessment levy for Fiscal Year 2014-15. The aggregate Fiscal Year 2013-14 County assessed valuation of property in the Reassessment District is \$373,048,414, as shown in the table below.

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\* Preliminary, subject to change.

The following table sets forth the historical assessed valuation change for the property in Prior Assessment District 2003-02 for the past five fiscal years.

**City of Stockton  
Prior Assessment District 2003-02  
Historical Assessed Valuation Change**

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Annual Change (%)</u>
2009-10	\$375,212,367	-23.80%
2010-11	336,073,671	-10.43
2011-12	312,868,712	-6.90
2012-13	313,693,680	0.26
2013-14	373,048,414	18.92

<sup>(1)</sup> Source: Fiscal Years 2009 - 2014 assessed values from Fiscal Years 2009 - 2014 Annual Reports for the Prior Assessment District. Fiscal Year 2013-14 assessed value from San Joaquin County Assessor's Office as of July 8, 2014.

**Value to Lien Ratios**

The following table shows summary value to lien ratios by land use as of July 8, 2014 per 2013-14 assessed values. For more information on ownership of property and assessed valuation of property in the Reassessment District.

**City of Stockton**  
**Prior Assessment District 2003-02**  
**Value to Lien Ratio Summary by Land Use**

<b>Land Use</b>	<b>Number of Parcels</b>	<b>Assessed Land</b>	<b>Assessed Structure</b>	<b>Total Assessed Value</b>	<b>Reassessment</b>	<b>Overlapping Debt</b>	<b>Value to Lien Ratio <sup>(1)</sup></b>	<b>Value to Lien &amp; Overlapping Debt Ratio</b>
Residential	1,374	\$ 97,212,381	\$249,591,608	\$346,803,989	\$12,956,545	\$5,196,801	26.77	19.10
Commercial	7	9,077,502	17,166,923	26,244,425	1,116,898	456,910	23.50	16.68
Governmental	2	0	0	0	86,557	0	0.00	0.00
<b>Totals</b>	<b>1,383</b>	<b>\$106,289,883</b>	<b>\$266,758,531</b>	<b>\$373,048,414</b>	<b>\$14,160,000</b>	<b>\$5,653,711</b>	<b>26.35</b>	<b>18.83</b>

<sup>(1)</sup> Value to Lien Ratio does not include overlapping debt.

Source: San Joaquin County Fiscal Year 2013-14 assessed value from San Joaquin County Assessor's Office as of July 8, 2014, as compiled by Willdan Financial Services.



The definition of developed is those properties which include both land and structure value per 2013-14 assessed values. The following table shows value to lien distribution by range and value to lien ratios by Prior Assessment District as of July 8, 2014. Additional summary information by Prior Assessment District is included in this Official Statement.

**City of Stockton**  
**Prior Assessment District 2003-02**  
**Value to Lien Ratios by Prior Assessment District**

<b>Value to Debt</b>	<b>Number of Parcels</b>	<b>Land Value</b>	<b>Structure Value</b>	<b>Total Value</b>	<b>Overlapping Debt</b>	<b>Reassessment</b>	<b>Percent of Reassessment</b>
20:1 to 29.99:1	481	\$ 44,128,211	\$106,350,606	\$150,478,817	\$2,164,649	\$ 4,267,658	30.10%
10:1 to 19.99:1	891	59,953,313	160,257,867	220,211,180	3,445,590	9,472,221	66.90
5:1 to 9.99:1	4	1,212,257	150,058	1,362,315	25,747	133,184	0.90
Less than 4.99:1	7	996,102	0	996,102	17,725	286,937	2.00
<b>Total</b>	<b>1,383</b>	<b>\$106,289,883</b>	<b>\$266,758,531</b>	<b>\$373,048,414</b>	<b>\$5,653,711</b>	<b>\$14,160,000</b>	<b>100.00%</b>

Source: San Joaquin County Fiscal Year 2013-14 assessed value from San Joaquin County Assessor's Office as of July 8, 2014, as compiled by Willdan Financial Services.

The following table is a representative sample of tax rates for Fiscal Year 2013-14.

**City of Stockton  
Prior Assessment District 2003-02  
2013-14 Sample Tax Rates**

<b>APN</b>	<b>Land Use</b>	<b>Assessed Valuation</b>	<b>Total Tax</b>	<b>Tax Rate</b>
122-080-040-000	Single Family Dwelling	\$283,000	\$3,481	1.23%
122-080-460-000	Single Family Dwelling	245,000	3,603	1.47
122-100-320-000	Single Family Dwelling	284,000	4,015	1.41
126-260-780-000	Single Family Dwelling	192,000	3,246	1.69
124-100-170-000	Single Family Dwelling	264,180	4,058	1.54
124-350-270-000	Single Family Dwelling	193,800	3,299	1.70

Source: San Joaquin County Fiscal Year 2013-14 Secured Property Roll, as compiled by Willdan Financial Services.

The following table shows the top ten payers of the Assessments of Prior Assessment District 2003-02 as of July 8, 2014. The only taxpayer expected to be responsible for more than 1.0% of the Reassessments is ROIC California LLC (a limited liability company formed by Retail Opportunity Investments Corporation a real estate owner, operator and developer operating as a REIT), which owns parcels which account for 7.55% of the total Reassessments.

**City of Stockton  
Prior Assessment District 2003-02  
Top 10 Taxpayers by Reassessment Amount**

<b>Owner</b>	<b>Number of Parcels</b>	<b>Reassessment Amount</b>	<b>Percent of Total</b>
ROIC California LLC	6	\$ 1,069,432	7.55%
Legacy Park Apartment Assoc. LLC	2	124,045	0.88
Morada Crossing Apartment Assoc. LLC	3	91,489	0.65
Lodi Unified School District	1	79,136	0.56
Cheema, Jasibir S & Tarenjit Kaur	1	47,466	0.34
Larkins, Joseph & Olivia Trust	4	39,893	0.28
Joe T. Heskett Family LP	4	29,682	0.21
Ajmal, Abid & Amra	2	20,119	0.14
Le, Julie	2	20,119	0.14
Martinez, Leonel P & Patricia E	2	20,115	0.14
Remaining Property Owners	1,356	12,618,504	89.11
<b>Totals</b>	<b>1,383</b>	<b>\$14,160,000</b>	<b>100.00%</b>

Source: San Joaquin County Fiscal Year 2013-14 assessed value from San Joaquin County Assessor's Office as of July 8, 2014, as compiled by Willdan Financial Services.

**Direct and Overlapping Debt**

Set forth below is a schedule of direct and overlapping debt as of May 1, 2014 for the Prior Assessment District prepared by California Municipal Statistics Inc. The table is included for general

information purposes only. The City has not reviewed this table for completeness or accuracy and makes no representations in connection therewith.

The first column in the table names each public agency which has outstanding debt as of May 1, 2014, and whose territory overlaps the Prior Assessment District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the Prior Assessment District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the Prior Assessment District.

The table generally includes long-term obligations sold in the public credit markets by the public agencies listed. Such long-term obligations generally are not payable from revenues of the City or the Reassessment District (except as indicated) nor are they necessarily obligations secured by land within the City or the Reassessment District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

Other local agencies whose boundaries overlap those of the Reassessment District could, without the consent of the City and in certain cases without the consent of the owners of the land within the Reassessment District, impose additional taxes or assessment liens on the land within the Reassessment District. The purpose would be to finance additional regional or local public improvements or services. The lien created on the land within the Reassessment District through the levy of such additional taxes or assessments may be on a parity with the lien of the Reassessment.

**City of Stockton  
Assessment District 2003-02  
Direct and Overlapping Debt**

2013-14 Local Secured Assessed Valuation: \$323,341,494 (Land and Improvements)

<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>	<b><u>% Applicable</u></b>	<b><u>Debt 5/1/14</u></b>
San Joaquin Delta Community College District General Obligation Bonds	0.538%	\$ 635,357
Lodi Unified School District General Obligation Bonds	2.463	2,266,333
Lodi Unified School District SFID No. 1 General Obligation Bonds	6.518	2,752,020
<b>City of Stockton Assessment District No. 2003-02</b>	<b>100.000</b>	<b>15,245,931<sup>(1)</sup></b>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$20,899,641</u>
<b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>		
San Joaquin County Certificates of Participation	0.593%	\$949,505
Lodi Unified School District Certificates of Participation	2.463	959,866
City of Stockton General Fund and Pension Obligations	1.893	4,697,114
TOTAL OVERLAPPING GENERAL FUND DEBT		<u>\$6,606,485</u>
COMBINED TOTAL DEBT		\$27,506,126 <sup>(2)</sup>

(1) Excludes the Bonds to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:

<b>Direct Debt (\$15,245,931)</b> .....	<b>4.72%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	6.46%
Combined Total Debt .....	8.51%

Source: California Municipal Statistics Inc.

**Reassessment District Value to Lien Ratios**

The Fiscal Year 2013-14 aggregate assessed valuation of the real property within the Reassessment District is \$373,048,414. In comparing the aggregate value of the real property within the Reassessment District and the principal amount of the Bonds, it should be noted that only the Assessor's parcel of real property upon which there is a delinquent Reassessment installments can be foreclosed upon. All of the real property within the Reassessment District cannot be foreclosed upon as a whole to pay delinquent Reassessment unless all of the property is subject to delinquent Reassessments. Individual parcels may be foreclosed upon to pay delinquent Reassessment levied against such parcels only.

The principal amount of the Local Obligations will not be allocated pro-rata among the parcels within the Reassessment District; rather, the annual Reassessment installments for the Reassessment District will be billed annually for each parcel within the Reassessment District. Upon sale of developed parcels, the buyer typically acquires the property subject to the unpaid portion of any special taxes and assessments levied against the parcel purchased. Special taxes and assessments (including reassessments) are not required to be removed from the property and are not required to be, but may be, paid off in full upon transfer of property or upon development of the property. The overlapping general obligation bond debt is not subject to foreclosure, and is typically not considered as part of the value to lien ratio. It is shown here primarily for information purposes and to be consistent with the rating report. As detailed above, the value to lien ratio for property subject to land secured debt is 18.83 times the aggregate principal amount of outstanding Reassessments, special taxes and other parity land-secured debt.

## Property Tax Status

The following table sets forth a history of collections and delinquencies in the payment of the assessments of the Prior Assessment District for the past five fiscal years.

### Historical Delinquency Data Assessment District 2003-02

<b>Fiscal Year</b>	<b>Billed Amount</b>	<b>Delinquent Amount</b>	<b>Percentage Delinquent</b>	<b>Number of Parcels Billed</b>	<b>Number of Delinquent Parcels</b>
2009-10 <sup>(1)</sup>	\$1,418,136	\$39,125	2.76%	1,380	42
2010-11 <sup>(2)</sup>	1,423,158	7,415	0.52	1,380	10
2011-12 <sup>(3)</sup>	1,388,357	8,896	0.64	1,380	11
2012-13 <sup>(4)</sup>	1,420,609	12,413	0.87	1,383	7
2013-14 <sup>(5)</sup>	1,426,364	17,982	1.26	1,383	29

<sup>(1)</sup> Fiscal Year 2009-10 delinquency data per the City of Stockton as of December 2010.

<sup>(2)</sup> Fiscal Year 2010-11 delinquency data per the City of Stockton as of November 2011.

<sup>(3)</sup> Fiscal Year 2011-12 delinquency data per the City of Stockton as of October 2012.

<sup>(4)</sup> Fiscal Year 2012-13 delinquency data per the City of Stockton as of October 2013.

<sup>(5)</sup> Fiscal Year 2013-14 delinquency data represents current estimates per the City of Stockton as of July 8, 2014.

Source: Willdan Financial Services.

## CITY OF STOCKTON

### General

The City is located in California's San Joaquin Valley, 78 miles east of the San Francisco Bay area, 345 miles north of Los Angeles and 45 miles south of Sacramento. The Stockton Metropolitan Statistical Area, which encompasses the entire County, covers approximately 1,400 square miles. The City is a municipal corporation and a charter city, duly organized and existing under the constitution and laws of the State. The City's boundaries encompass 55.1 square miles.

For more demographic and economic information regarding the City, See APPENDIX A – "GENERAL INFORMATION ABOUT THE COUNTY OF SAN JOAQUIN AND THE CITY OF STOCKTON."

### Effect of City Chapter 9 Filing

Over two years ago, the City commenced a confidential neutral evaluation process under the provisions of California Government Code Section 53760.3 and following ("AB 506") to attempt to negotiate with its major creditors in order to avoid the necessity of the filing by the City of a petition with the United States Bankruptcy Court under chapter 9 of the United States Bankruptcy Code ("chapter 9"). As described in the Material Event Notice filed by the City on May 30, 2012, on June 5, 2012, the City Council of the City of Stockton authorized the filing of a petition under chapter 9 in the event that the AB 506 process did not result in negotiated settlement with the City's creditors that would allow the City to adopt a balanced budget for Fiscal Year 2012-13 prior to July 1, 2012 as required by law.

As described in the Material Event notice filed by the City on June 20, 2012, on June 26, 2012, the City Council considered and adopted a 2012-13 Budget and Pendency Plan. On June 26, 2012, the City Manager made the determination as authorized by the City Council that the City was unable to reach

sufficient negotiated settlements with its creditors to avoid insolvency for Fiscal Year 2012-13 and adopt a balanced budget without breaching many of its contractual obligations, and instructed its attorneys to file a petition under chapter 9.

On June 28, 2012, the City filed a petition seeking relief under chapter 9 in the United States Bankruptcy Court for the Eastern District of California (the “Bankruptcy Court”). The City believes that the filing of the petition under chapter 9 will not adversely impact the Local Obligations or the Bonds, and the City intends to continue to fully perform all of its obligations with respect Local Obligations.

Under the United States Bankruptcy Code, the City’s assessment bonds are considered to be “special revenues” debt, and the pledge of and lien on the special revenues for these securities will remain in effect to secure those obligations. Accordingly, the City’s position, which the City believes is supported by the decisions of both the Bankruptcy Court and the United States Bankruptcy Appellate Panel of the Ninth Circuit in the City of Vallejo chapter 9 case, and has not been challenged by creditors of the City’s general fund, is that the City’s filing of the petition under chapter 9 will not adversely affect the pledge of and lien on the Reassessments for the Local Obligations and will not have any adverse effect on the timely payment of debt service on the Local Obligations. As of the date of this Official Statement, no filing has been made in the City’s chapter 9 case seeking to impair the pledge of and lien on the assessments for the Prior Bonds or the Reassessments for the Local Obligations.

On October 10, 2013, the City filed its Plan for the Adjustment of Debts of the City of Stockton, California (October 10, 2013) (the “Plan”) with the Bankruptcy Court along with a proposed disclosure statement (the “Disclosure Statement”). The Plan treats the Local Obligations, as well as all other enterprise, special tax and special assessment obligations of the City, as unimpaired -- meaning that the legal, equitable, and contractual rights to which the holders of the Local Obligations and the holders of such other obligations are entitled are not being altered by the Plan. On November 15, 2013, the City filed its First Amended Plan for the Adjustment of Debts of the City of Stockton, California (November 15, 2013) (“Amended Plan”) and a proposed disclosure statement. The Amended Plan continues to treat the Local Obligations and all other enterprise, special tax and special assessment obligations of the City as unimpaired. At a hearing conducted on November 18, 2013, the Bankruptcy Court approved the amended disclosure statement, subject to the City making a few minor changes. In early December of 2013, the Amended Plan and the related disclosure statement were sent to creditors and those with claims that are impaired under the Amended Plan who are entitled to vote on it. As the holders of the Local Obligations or the Bonds are not impaired by the Amended Plan, they are not entitled to vote on it. The hearing on confirmation of the Amended Plan was conducted on May 12 through 15, 2014, and on June 4, 2014. On June 2, 2014, the City filed its First Amended Plan for the Adjustment of Debts of the City of Stockton, California, as Modified (June 2, 2014) (“Modified Plan”). The treatment of the enterprise, special tax and special assessment obligations of the City is identical to the treatment of such obligations in the Plan and in the Amended Plan. During the course of the bankruptcy, the City has been operating under budgets that assume that the bankruptcy plan (the Plan, the Amended Plan, or the Modified Plan, as the case may be) will be confirmed. Each of these budgets is referred to by the City as the “Pendency Plan.” Because the chapter 9 case was not resolved prior to the end of the Fiscal Year 2013-14 (June 30, 2014), the City adopted its 2014-15 budget based on the Pendency Plan then in effect.

It is likely that the Modified Plan will be amended again prior to being confirmed by the Bankruptcy Court; however, only the City may propose any amendment, and neither the creditors nor the Bankruptcy Court can impose any amendment. The City does not believe it could legally approve any amendment that would impair the rights of the holders of the Local Obligations or any other enterprise, special tax or special assessment obligations of the City. It is possible that the Bankruptcy Court could refuse to confirm the Modified Plan, either as presented or as it may be amended, in which case the Bankruptcy Court could permit the City to file another proposed plan of adjustment or dismiss the chapter

9 case. In the event the chapter 9 case is dismissed, the rights and remedies of the City's creditors, including holders of the Local Obligations or the Bonds, would be governed by State law.

During the chapter 9 case, the City has not made and the Modified Plan contemplates that the City will not make payments on certain of its general fund obligations consisting of pension obligation bonds and leases supporting lease revenue bonds issued by the Authority. This has resulted in both the City and the Authority being in default with respect to such obligations, which default may continue in the future. However, neither the City nor the Authority have defaulted on any payment with respect to any special fund obligations, including the Local Obligations, other obligations payable from the revenues of the City's water or wastewater systems, and land secured obligations such as the Prior Bonds.

Whatever the outcome of the present chapter 9 case, there can be no assurance that the City will not become the subject of another chapter 9 case during the term of the Local Obligations or the Bonds. However, under current bankruptcy law the City believes such a future chapter 9 case would not result in any impairment of the rights of the holders of the Local Obligations or, by extension, the Bonds.

### **Zoning**

All of the properties in the Reassessment District are located within the City and approximately 1,374 of the 1,383 parcels in the Reassessment District are zoned as residential. Additional uses are 7 commercial or industrial and 2 are governmental uses per County Assessor records, which are site specific and are generally of the type typically found in large master planned communities.

### **Flood Zones**

The majority of the property within the Reassessment District is located in areas designated as Flood Zone C. The area is described as areas of minimal flooding. Properties located in this zone are not required to purchase flood insurance.

## **RISK FACTORS**

*The following information should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.*

### **General**

Under the provisions of the 1984 Act, Reassessment installments, from which funds for the payment of annual installments of principal of and interest on the Local Obligations are derived, will be billed to properties against which there are Reassessments on the regular property tax bills sent to owners of such properties. Such Reassessment installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. Scheduled Reassessment installments are in aggregate amounts sufficient for payment of the Local Obligations. A property owner cannot pay the county tax collector less than the full amount due on the tax bill, however it is possible to pay Reassessment installments directly to the City in satisfaction of the obligation to pay that Reassessment installments without paying property taxes also then due. It should also be noted that the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Reassessment installments payments in the future.



In order to pay debt service on the Bonds, it is necessary that unpaid Reassessment installments on land within the Reassessment District are paid in a timely manner. The Reassessment are secured by a lien on the parcels within the Reassessment District and the City has covenanted to institute foreclosure proceedings under certain conditions to sell parcels with delinquent installments for amounts sufficient to cover such delinquent installments in order to obtain funds to pay debt service on the Local Obligations. No reserve account has been established by the City as a source of payment of the Local Obligations.

Failure by owners of the parcels to pay Reassessment installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent Reassessment installments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Local Obligations and owners of the Bonds would therefore be adversely affected.

### **Risks of Real Estate Secured Investments Generally**

The Owners and Beneficial Owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (a) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Reassessment District, the supply of or demand for competitive properties in such area, and the market value of competitive properties in the event of sale or foreclosure, (b) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies, and (c) natural disasters (including, without limitation, earthquakes, fires, droughts and floods), which may result in uninsured losses.

### **Owners Not Obligated to Pay Bonds or Reassessments**

Unpaid Reassessments do not constitute a personal indebtedness of the owners of the parcels within the Reassessment District and the owners have made no commitment to pay the principal of or interest on the Local Obligations or the Bonds or to support payment of the Local Obligations or the Bonds in any manner. Accordingly, in the event of delinquency, proceedings may be conducted only against the real property securing the delinquent Reassessments. Thus, the value of the real property within the Reassessment District is a critical factor in determining the investment quality of the Bonds. The future unpaid Reassessments are not required to be paid upon sale of property within the Reassessment District. There is no assurance the owners shall be able to pay the Reassessment installments or that they shall pay such installments even though financially able to do so.

### **Bankruptcy and Foreclosure**

The payment of Reassessments and the ability of the City to foreclose the lien of a delinquent unpaid Reassessments, as discussed in “SECURITY FOR THE BONDS AND SOURCES OF PAYMENT – Covenant to Commence Superior Court Foreclosure,” may be limited by bankruptcy, insolvency, or other laws generally affecting creditors’ rights or by State law relating to judicial foreclosure. In addition, the prosecution of a foreclosure could be delayed due to lengthy local court calendars or procedural delays.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although bankruptcy proceedings should not cause the Reassessments to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings and could result in delinquent Reassessments not being paid in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Local Obligations and the Bonds.

### **Availability of Funds to Pay Delinquent Reassessment Installments**

Upon receipt of the proceeds from the sale of the Bonds, the Authority shall initially establish the Reserve Fund in an amount of the "Reserve Requirement," described herein. The Reserve Requirement in the Reserve Fund shall constitute a trust fund for the benefit of the Owners of the Bonds, shall be held by the Trustee, and shall be administered by the Trustee in accordance with and pursuant to the provisions of the Trust Agreement. If a deficiency occurs in the Interest Fund or the Principal Fund for payment of interest on or principal of the Bonds, the Trustee will transfer into such funds an amount out of the Reserve Fund needed to pay debt service on the Bonds. There is no assurance that the balance in the Reserve Fund will always be adequate to pay the debt service on the Bonds in the event of delinquent Reassessment installments.

If, during the period of delinquency, there are insufficient funds in the Reserve Fund to pay the principal of and interest on the Bonds as it becomes due, a delay may occur in payments of principal and/or interest to the owners of the Bonds.

### **Limited Obligation Upon Delinquency**

The Authority's obligation to advance moneys to pay debt service on the Bonds in the event of delinquent Reassessment installments shall not exceed the balance in the Reserve Fund. The City has made an election not to be obligated to advance funds of the City for delinquent Reassessment installments pursuant to the 1984 Act. During the period of delinquency if there are insufficient funds in the Reserve Fund, a delay may occur in payments to Owners of Bonds. Notwithstanding the foregoing, the City may, at its sole option and at its sole discretion, elect to advance available surplus funds of the City to pay for any delinquent Reassessment installments pending sale, reinstatement or redemption of any delinquent property. The City currently has no intention to advance any such surplus funds. THE LOCAL OBLIGATIONS AND INTEREST THEREON ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE CITY (INCLUDING THE CITY'S GENERAL FUND).

### **Collection of the Reassessment**

In order to pay debt service on the Bonds it is necessary that the Reassessment installments be paid in a timely manner. The Reassessment installments are to be collected in the same manner as ordinary *ad valorem* real property taxes are collected and, except as provided in the special covenant for foreclosure described herein and in the 1984 Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* real property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property may be deeded to the State and then is subject to sale by the County.

Pursuant to the 1984 Act, in the event any delinquency in the payment of a Reassessment installment occurs, the City may commence an action in superior court to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. Amendments to the 1984 Act enacted in 1988 and effective January 1, 1989 provide that under certain circumstances property may be sold upon foreclosure at a lesser Minimum Price or without a Minimum Price. "Minimum Price" as

used in the 1984 Act is the amount equal to the delinquent installments of principal or interest of the Reassessment or Reassessment installments, together with all interest penalties, costs, fees, charges and other amounts more fully detailed in the 1984 Act. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than the Minimum Price will not result in an ultimate loss to the owners of Bonds or, under certain circumstances, if owners of 75% or more of the outstanding Bonds consent to such sale. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid a delay in payments of debt service on the Bonds. The City has covenanted for the benefit of the owners of the Bonds that no later than October 1 in any year, the City shall file an action in the Superior Court to foreclose the lien on each delinquent Reassessment if (1) the sum of uncured Reassessment delinquencies for the preceding Fiscal Year exceeds five percent (5%) of the Reassessment installments posted to the tax roll for that Fiscal Year or (2) there is an unscheduled draw on the reserve fund relating to the Bonds that causes such reserve fund to fall below the required reserve. The City has further covenanted with the registered owners of the Local Obligations that it will monitor the records of the Auditor-Controller of San Joaquin County for the purpose of ascertaining the occurrence of any delinquency. See “SECURITY FOR THE BONDS AND SOURCES OF PAYMENT – Covenant to Commence Superior Court Foreclosure” above. In the event that sales or foreclosures of property are necessary, there could be a delay in payments to owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the other sources of payment for the Bonds, as set forth in the Trust Agreement, are depleted. See “RISK FACTORS – Bankruptcy and Foreclosure” herein.

### **Property Values**

A land value determined by a county assessor or an appraiser is an opinion with respect to the market value, and is generally based upon a sales comparison approach, which determines the value of the subject property by comparing it to sales of comparable property, adjusted for differences between the subject and the comparable property. No assurance can be given that if a parcel with delinquent Reassessment installments is foreclosed, any bid will be received for such property or, if a bid is received, that such bid will be equal to the value determined by the county assessor or an appraiser, or that it will be sufficient to pay delinquent installments of unpaid Reassessments. The City and the Authority have not caused any property in the Reassessment District to be appraised in connection with the issuance of the Local Obligations and the Bonds.

### **Parity Taxes and Special Assessments**

The Reassessment and each installment thereof and any interest and penalties thereon constitute a lien against the parcels on which they were imposed until the same are paid. Such lien is subordinate to all fixed special assessment liens previously imposed upon the same property, but has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property.

Property in the Reassessment District is subject to other liens for taxes and assessments as summarized in the overlapping debt table shown in the section “THE REASSESSMENT DISTRICT” above.

### **Payments by FDIC and Other Governmental Agencies**

The City’s ability to enforce the lien of a Reassessment Installment and to foreclose the lien of a delinquent Reassessment Installment, is limited with regard to properties in which the Internal Revenue Service, the Drug Enforcement Agency, Federal Deposit Insurance Corporation (the “FDIC”) or other similar federal government agencies has or obtains an interest.

Specifically with respect to the FDIC, in the event that any financial institution making a loan which is secured by a parcel is taken over by the FDIC and the applicable Reassessment Installment is not paid, the remedies available to the City may be constrained. The FDIC's December 10, 1996 Policy Statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes, such as the Reassessment Installments, which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed upon by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes or assessments. With respect to property in California owned by the FDIC on January 9, 1997 and that was owned by the Resolution Trust Corporation ("RTC") on December 31, 1995, or that became the property of the FDIC through foreclosure of a security interest held by the RTC on that date, the FDIC will continue the RTC's prior practice of paying special taxes imposed pursuant to the Act if the taxes were imposed prior to the RTC's acquisition of an interest in the property. All other special taxes may be challenged by the FDIC.

The City's remedies may also be limited in the case of delinquent Reassessments with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

The City is unable to predict what effect the FDIC's application of the Policy Statement would have in the event of a delinquency on a parcel within the City in which the FDIC has an interest, although prohibiting the lien of the FDIC to be foreclosed at a judicial foreclosure sale would reduce or eliminate the persons willing to purchase a parcel at a foreclosure sale. Owners and Beneficial Owners of the Bonds should assume that the City will be unable to foreclose on any parcel owned by the FDIC. According to County records, as of July 8, 2014, no property in the City was owned by the FDIC.

### **Cumulative Burden of Parity Taxes, Special Assessments**

The Reassessment constitute a lien against the parcels of land on which they have been levied. Such lien is on a parity with all special taxes levied by other agencies and is co-equal to and independent of the lien for *ad valorem* property taxes, regardless of when they are imposed upon the same property.

The City does not have control over the ability of other entities to issue indebtedness secured by *ad valorem* taxes, special taxes or assessments payable from all or a portion of the property within the Reassessment District. In addition, the owners of property within the Reassessment District may, without the consent or knowledge of the City, petition other public agencies to issue public indebtedness secured by *ad valorem* taxes, special taxes or assessments. Any such special taxes may have a lien on such property on a parity with the lien of the Reassessments. See "SECURITY FOR THE BONDS – Direct and Overlapping Debt."

### **Future Overlapping Indebtedness**

The ability of an owner of land within the Reassessment District to pay the Reassessments could be affected by the existence of other taxes and assessments imposed upon the property subsequent to the date of issuance of the Local Obligations. In addition, other public agencies whose boundaries overlap those of the Reassessment District could, without the consent of the City, and in certain cases without the

consent of the owners of the land within the Reassessment District, as applicable, impose additional taxes or assessment liens on the property within the Reassessment District to finance public improvements to be located inside of or outside of the Reassessment District.

### **No Acceleration Provision**

The Trust Agreement does not contain a provision allowing for the acceleration of the principal of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Trust Agreement.

### **Recent Events in the Real Estate Market**

In the past several years, the housing and mortgage markets in most parts of the United States have been under pressure due to many economic factors, including the tightening of credit standards, reduction of access to mortgage capital, and interest rate adjustments on many adjustable rate mortgages which have caused property owners to default on their mortgages. Foreclosures have increased to record levels as a result of these factors, and residential property values in most areas of the country have generally declined. The Authority and the City cannot predict what impact, if any, a continued downturn in the national and local housing market may have on the San Joaquin County area markets and assessed values in the Reassessment District.

### **Environmental Matters**

*Flood Hazard Map Information.* The Reassessment District is classified as being in Flood Zone X, described as areas of 500-year flood; areas of 100-year flood with average depths of less than one foot with drainage areas less than one square mile; and areas protected by levees from 100-year flood. This information is according to Federal Emergency Management Agency F.I.R.M. Map Community Panel No. 060302-0010 D, dated April 2, 2002.

*Seismic Conditions.* According to the Seismic Safety Commission the Reassessment District parcels are located within Zone 3, which is considered to be the lowest risk zone in California. There are only two zones in California. Zone 4 is assigned to areas of major faults. Zone 3 is assigned to areas with more moderate seismic activity. In addition, Reassessment District is not located within a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 (revised January 1994) of the California Department of Conservation, Division of Mines and Geology. See “RISK FACTORS – “Land Values.”

## **PROPERTY TAX RATE LIMITATIONS – ARTICLE XIII A**

On June 6, 1978, the California voters added Article XIII A to the California Constitution which limits the amount of any *ad valorem* taxes on real property to one percent (1%) of its full cash value, except that additional *ad valorem* property taxes may be levied to pay debt service on indebtedness approved prior to July 1, 1978 and (as a result of an amendment to Article XIII A approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978, by two-thirds of the voters voting on such indebtedness. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment period.” This cash value may be increased at a rate not to exceed two percent (2%) per year to account for inflation. The United States Supreme Court has upheld the validity of Article XIII A in a case decided in June 1992.

Article XIII A as originally implemented has been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in various other minor or technical ways.

### **Legislation Implementing Article XIII A**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any *ad valorem* property tax. The 1% property tax is automatically levied annually by the county and distributed according to a formula among using agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1978. Any special tax to pay voter-approved indebtedness is levied in addition to the basic 1% property tax.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in California no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as \$4.00 per \$100 of assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the basic tax rate is expressed as \$1 per \$100 of taxable value.

### **Appropriation Limitation – Article XIII B**

On November 6, 1979, the voters of the State approved Proposition 4, known as the Gann Initiative, which added Article XIII B. On June 5, 1990, the voters approved Proposition 111, which amended Article XIII B in certain respects. Under Article XIII B, as amended, state and local government entities have an annual “appropriations limit” which limits the ability to spend certain moneys which are called “appropriations subject to limitation” (consisting of most tax revenues and certain state subventions, together called “proceeds of taxes” and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations limit,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by two-thirds of the voters.

In general terms, the “appropriations limit” is to be based on the adjusted fiscal year 1986-87 appropriations limit, which is traced back through an annual adjustment process to the 1978-79 fiscal year. Annual adjustments reflect changes in California per capita personal income (or, at the City’s option, changes in assessed value caused by local nonresidential new construction), population and services provided by these entities. Among other provisions of Article XIII B, if the revenues of such entities in any fiscal year and the following fiscal year exceed the amounts permitted to be spent in such years, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

### **Property Tax Collection Procedures**

In California, property which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” The “secured roll” is that part of the assessment roll containing state-assessed public utilities’ property and property the taxes on which are a lien on real property sufficient, in the opinion of

the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition property on the secured roll with respect to which taxes are due is delinquent on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector.

Historically, property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB 813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB 813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A ten percent (10%) penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer, (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer, and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

### **Proposition 218**

On November 5, 1996, the voters of the State approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIC and XIID to the State Constitution, which contain a number of provisions affecting the ability to the Authority to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIID requires that, beginning July 1, 1997, the proceedings for the levy of any assessment by the City (including, if applicable, any increase in such assessment or any supplemental assessment) must be conducted in conformity with the provisions of Section 4 of Article XIID. Any challenge (including any constitutional challenge) to the proceedings or the assessment or special tax must be brought within 30 days after the date the assessment or special tax was levied.

Article XIIC removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Article XIIC does not define the term "assessment", and it is unclear whether this term

is intended to include assessments (or reassessments) levied under the Acts. Furthermore, this provision of Article XIII C is not, by its terms, restricted in its application to assessments which were established or imposed on or after July 1, 1997. In the case of the unpaid assessments which are pledged as security for payment of the Local Obligations, the laws of the State provide a mandatory, statutory duty of the City and the County Auditor to post installments on account of the unpaid assessments to the property tax roll of the County each year while any of the Local Obligations are outstanding, commencing with property tax year 1997-1998, in amounts equal to the principal of and interest on the Local Obligations coming due in the succeeding calendar year. The City believes that the initiative power cannot be used to reduce or repeal the unpaid assessments which are pledged as security for payment of the Local Obligations or to otherwise interfere with performance of the mandatory, statutory duty of the City and the County Auditor with respect to the unpaid assessments which are pledged as security for payment of the Local Obligations.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

### **THE AUTHORITY**

The Authority was created by a Joint Exercise of Powers Agreement, dated June 18, 1990 (the "JPA Agreement"), between the City and the former Redevelopment Agency of the City of Stockton. The JPA Agreement was entered into pursuant to the Joint Exercise of Powers Act, Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and is operating pursuant to the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of Chapter 5, Division 7, Title 1 of the California Government Code (the "Marks-Roos Law"). The Authority was created for the purpose of facilitating the financing or refinancing public improvement facilities within the City.

### **CONTINUING DISCLOSURE**

The City and the Authority have covenanted for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the City by not later than eight months after the end of the City's fiscal year (presently June 30) in each year commencing with its report for the 2013-14 Fiscal Year (the "Annual Report") and to provide notices of the occurrence of certain enumerated events. Such report and notices will be filed by the Trustee on behalf of the City with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA"). These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). The specific nature of the information to be contained in the Annual Report or the notices of enumerated events by the City is summarized in APPENDIX E – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

In the preceding five years, the City failed to timely comply in certain respects with its previous undertakings with regard to said Rule. On several occasions during the last five years, the City has failed to provide its audited or unaudited financial statements in the time required by its continuing disclosure undertakings. The City's compliance with its previous undertakings in this respect has been further complicated by the bankruptcy proceedings, and while the City has filed with EMMA detailed information as and when available with respect to the bankruptcy, the completion of its audited financial statements has demanded more time in recent years than expected and agreed in its previous undertakings. For some obligations the audits are due to be posted within 210 days of the end of the fiscal year (June 30). The due date is therefore on or before February 1 of each year. Most recently, in July 2014, the City completed its audited financial statements for Fiscal Year 2012-13 and filed those with EMMA on or about July 18, 2014 (167 days late). For Fiscal Year 2011-12 the audit was filed on December 12, 2012



(315 days late) and for Fiscal Year 2010-11 the audit was filed on April 1, 2013 (425 days late). The City believes it has posted to EMMA all annual reports containing the required information under each respective continuing disclosure undertaking. However, the City and Digital Assurance Certification (“DAC”) are currently doing a detailed review of all the City’s postings to EMMA including each and every annual report and any posting of any listed events including all bond rating changes and rating changes for bond insurers and commercial banks involved with City and Authority transactions. Once completed, the City and Willdan Financial Services, as Dissemination Agent, will take all necessary steps to post any previously omitted material to EMMA. The City believes it will be in full compliance with its continuing disclosure obligations in the future.

## **LEGAL MATTERS**

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX D hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain matters will be passed upon for the Authority and the City by the City Attorney of the City.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX D hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond

premium in the case of Bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Authority and the City have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, Representative Dave Camp, Chair of the House Ways and Means Committee released draft legislation that would subject interest on the Bonds to a federal income tax at an effective rate of 10% or more for individuals, trusts, and estates in the highest tax bracket, and the Obama Administration proposed legislation that would limit the exclusion from gross income of interest on the Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (the "IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and the City have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the City or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the City and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Authority, the City or the Beneficial Owners to incur significant expense.

## **LITIGATION**

At the time of delivery of the Bonds, Counsel to the Authority and the City Attorney are expected to deliver opinions to the initial underwriter of the Bonds that there was no controversy or litigation pending against the Authority or the City or, to the knowledge of their offices, threatened, restraining or enjoining the sale, execution or delivery of the Bonds or the Local Obligations, or in any way contesting or affecting the validity of the Bonds or the Local Obligations.

### **The Authority**

No litigation is pending with service of process having been accomplished or, to the knowledge of the Authority, threatened, concerning the validity of the Bonds, the Trust Agreement or any proceedings of the Authority taken with respect to the execution or delivery thereof.

### **The City**

There is no litigation pending with service of process having been accomplished or, to the knowledge of the City, threatened, questioning the existence of the City, or the title of the offices of the City to their respective offices. Except as otherwise disclosed in this Official Statement, there is no litigation pending or, to the knowledge of the City, threatened, questioning or affecting in any material respect the collection of assessments levied or to be levied by the City in the Reassessment District, as applicable, or in any way contesting or affecting the validity of the Bonds, the Trust Agreement, the Local Obligations, the Local Obligation Resolution or any proceedings of the Authority or the City taken with respect to the execution or delivery thereof.

The City is involved in ongoing contract negotiations with employee bargaining units and also has various legal actions pending against the City. Neither the resolution of the contract negotiations nor the aggregate amount of the uninsured liabilities of the City which may result from all legal claims currently pending against it will, in the opinion of the City, materially affect the Reassessment District or impair the City's ability to collect unpaid Reassessments in amounts sufficient to pay debt service on the Local Obligations. See also "CITY OF STOCKTON – Effect of City Chapter 9 Filing."

## **MUNICIPAL ADVISOR**

The Authority has retained Del Rio Advisors, LLC of Modesto, California, as municipal advisor (the "Municipal Advisor") in connection with the offering of the Bonds and the preparation of this Official Statement. The Municipal Advisor assisted in the preparation and review of this Official Statement. All financial and other information presented in this Official Statement has been provided by the Authority and the City from their records, except for information expressly attributed to other sources.

The Municipal Advisor takes no responsibility for the accuracy or completeness of the data provided by others and has not undertaken to make an independent verification and does not assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

### **VERIFICATION OF MATHEMATICAL ACCURACY**

Grant Thornton, LLP, Minneapolis, Minnesota, independent accountants, upon delivery of the Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them which were prepared by the City, relating to the sufficiency of moneys and securities deposited into the Escrow Fund to pay, when due, the principal, whether at maturity or upon prior prepayment, interest and prepayment premium requirements of the Prior Bonds.

The report of Grant Thornton will include the statement that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or data or information coming to its attention, subsequent to the date of its report.

### **RATING**

Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") has assigned a rating to the Bonds of "BBB+". Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained only from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. The Authority, the City and the Underwriter have undertaken no responsibility either to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating or to oppose any such proposed revision or withdrawal. Any such downward change in or withdrawal of the rating might have an adverse effect on the market price or marketability of the Bonds.

### **UNDERWRITING**

RBC Capital Markets, LLC, the Underwriter of the Bonds, has agreed to purchase the Bonds from the Authority at a purchase price of \$\_\_\_\_\_, being the aggregate principal amount of the Bonds less an Underwriter's discount of \$\_\_\_\_\_ plus original issue premium/(discount) of \$\_\_\_\_\_. The purchase contract pursuant to which the Underwriter is purchasing the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in such contract of purchase.

The public offering prices of the Bonds may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page hereof.

### **MISCELLANEOUS**

All quotations from, and summaries and explanations of the Trust Agreement, the Local Obligations, the Local Obligation Resolution, the Bonds, the Acts, the 1984 Act or other statutes and documents contained herein do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the sale of the Bonds by the Authority. All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the Authority, the City or the Underwriter. The information contained herein should not be construed as representing all conditions affecting the Authority, the City, the Bonds or the Local Obligations.

All information contained in this Official Statement pertaining to the Authority and the City has been furnished by the Authority and the City and the execution and delivery of this Official Statement has been duly authorized by the Authority and the City.

**STOCKTON PUBLIC FINANCING AUTHORITY**

By \_\_\_\_\_  
Authorized Signatory

**CITY OF STOCKTON**

By \_\_\_\_\_  
Chief Financial Officer

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## APPENDIX A

### GENERAL INFORMATION ABOUT THE COUNTY OF SAN JOAQUIN AND THE CITY OF STOCKTON

*The following information concerning the County and the City of Stockton (the “City”) are included only for the purpose of supplying general information regarding the community in and around the District. The Local Obligations are not a debt of the County, the City, the State or any of its political subdivisions, and neither the County, the City, the State nor any of its political subdivisions (other than the District) is liable therefor.*

The City of Stockton, whose boundaries encompass 55.1 square miles, is located in California’s San Joaquin Valley, 78 miles east of the San Francisco Bay area, 345 miles north of Los Angeles and 45 miles south of Sacramento. The Stockton Metropolitan Statistical Area, which encompasses the entire County, covers approximately 1,400 square miles. The City is a municipal corporation and a charter city, duly organized and existing under the constitution and laws of the State.

#### Population

The historic population estimates of the City and the County of the past five years are shown in the following table.

<b>Calendar Year</b>	<b>City of Stockton</b>	<b>County of San Joaquin</b>
2010	291,275	684,057
2011	292,897	689,160
2012	294,545	693,013
2013	297,757	701,745
2014	300,899	710,731

Source: California State Department of Finance, Demographic Research Unit.

#### Transportation

Stockton is located on Interstate 5, the West Coast’s major route from Canada to Mexico. The City’s Crosstown Freeway connects Interstate 5 with State Route 99, the State’s other principal north-south freeway. Other freeway connections provide convenient access to the San Francisco Bay area and Reno. Thirty-five major transcontinental truck lines and nearly 200 contract carriers serve the City. The City is also served by Greyhound and the San Joaquin Regional Transit District.

The Port of Stockton, the largest inland deep water seaport in the State, is served by numerous international shipping companies through the Stockton Channel to the San Francisco Bay. The modern port facility handles dry and liquid bulk commodities and general cargo.

The Stockton Metropolitan Airport serves the San Joaquin Valley with passenger and air freight facilities.

Railroad service is provided to the City by Burlington Northern, Santa Fe and the Union Pacific railroads. Daily passenger service by Amtrak is available to San Francisco, Los Angeles and Sacramento.

## Employment and Industry

Approximately 3,000 acres in the City are zoned for light and heavy industry. Included in this acreage are 15 industrial parks with all on-site improvements. Six industrial parks are served by rail.

The largest manufacturing and non-manufacturing employers as of 2013 in the City and the County are shown in the tables below.

**CITY OF STOCKTON  
Major Employers  
Fiscal Year Ending June 30, 2013**

<b>Employer</b>	<b>Number of Employees</b>	<b>Percent of Total City Employment</b>
San Joaquin County	4,720	3.78%
St. Joseph's Medical Center	4,600	3.69
Stockton Unified School District	3,366	2.70
City of Stockton	1,862	1.49
Dameron Hospital	1,200	0.96
Pacific Gas and Electric	1,100	0.88
Kaiser Permanente	1,065	0.85
San Joaquin Delta College	1,000	0.80
University of the Pacific	900	0.72
Lincoln Unified School District	631	0.52
<b>Total</b>	<b>20,444</b>	<b>16.38%</b>

Note: Principal employers are based on best available information.

Source: City of Stockton, Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2013.



**COUNTY OF SAN JOAQUIN  
2014 Major Employers**

<b>Employer Name</b>	<b>Location</b>	<b>Industry</b>
All Trade Handyman Management LLC	Tracy	Handyman Services
B & B Ranch	Linden	Ranches
Blue Shield of California	Lodi	Insurance
Deuel Vocational Institution	Tracy	City Government – Correctional Institutions
Division of Juvenile Justice	Stockton	State Government – Correctional Institutions
		County Government – Social/Human Resources
Foster Care Services	Stockton	
J.C. Penney Distribution Center	Lathrop	Distribution Centers (Whls)
Leprino Foods Co.	Tracy	Cheese Processors (Mfrs)
Lodi Memorial Hospital Home Health	Lodi	Home Health Service
Lodi Memorial Hospital	Lodi	Hospitals
Morada Produce Co.	Stockton	Fruits & Vegetables – Growers & Shippers
North California Youth Center	Not Available	Police Departments
O-G Packing & Cold Storage Co.	Stockton	Fruits & Vegetables – Growers & Shippers
Pacific Coast Producers	Lodi	Canning (Mfrs)
Prima Frutta Packing Inc.	Linden	Fruit & Produce Packers
Safety Distribution Warehouse	Tracy	Distribution Center s(Whls)
		County Government – Social/Human Resources
San Joaquin County Human Services	Stockton	
San Joaquin General Hospital	French Camp	Hospitals
San Joaquin Sheriff’s Office	French Camp	Sheriff
St. Joseph’s Medical Center	Stockton	Medical Centers
Stockton Police Department	Stockton	Police Departments
University of the Pacific	Stockton	Schools – Universities & Colleges Academic
Walmart Supercenter	Stockton	Department Stores
Waste Management	Lodi	Garbage Collection
Whirlpool Corp.	Stockton	Appliances - Household

Source: State of California Employment Development Department.

The following table summarizes employment and unemployment rates in San Joaquin County and historical numbers of workers in San Joaquin County by industry.

**COUNTY OF SAN JOAQUIN**  
**Civilian Labor Force, Employment and Unemployment, Unemployment**  
**by Industry**  
**(Annual Averages)**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Civilian Labor Force <sup>(1)</sup>	298,400	301,500	300,400	299,900	298,800
Employment	252,800	249,500	249,800	254,900	260,400
Unemployment	45,500	52,100	50,600	45,100	38,400
Unemployment Rate	15.3%	17.3%	16.8%	15.0%	12.8%
<b>Wage and Salary Employment: <sup>(2)</sup></b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Agriculture	15,200	15,700	15,500	15,700	15,600
Mining and Logging	100	100	100	100	100
Construction	8,400	7,600	7,400	7,600	8,700
Manufacturing	18,900	17,600	17,900	17,800	17,800
Wholesale Trade	9,900	10,000	10,200	10,700	10,900
Retail Trade	23,700	23,700	24,100	24,900	25,700
Transportation, Warehousing & Utilities	13,900	13,800	14,500	14,900	15,400
Information	2,200	2,100	2,100	2,100	1,900
Finance and Insurance	6,000	5,100	4,900	4,900	5,000
Professional and Business Services	15,900	15,400	15,100	16,500	17,300
Educational and Health Services	32,200	32,300	32,500	32,800	33,400
Leisure and Hospitality	16,700	16,100	16,300	17,000	18,100
Other Services	7,000	6,500	6,300	6,500	6,600
Federal Government	4,100	4,300	4,000	3,900	3,500
State Government	4,100	3,900	3,800	3,600	4,200
Local Government	31,700	30,000	28,700	28,600	29,300
Total All Industries	212,800	206,900	206,000	210,300	216,200

<sup>(1)</sup> Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

<sup>(2)</sup> Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Source: State of California Employment Development Department, Labor Market Information Division; March 2013 Benchmark.

## Commercial Activity

A summary of historic taxable sales within the City is shown below. Annual figures for 2013 are not yet available.

**CITY OF STOCKTON**  
**Taxable Retail Sales**  
**Number of Permits and Valuation of Taxable Transactions**  
**(Dollars in Thousands)**

	Retail Stores <sup>(1)</sup>		Total of Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2008	2,926	\$2,541,847	5,318	\$3,366,071
2009	3,351	2,209,264	4,874	2,844,988
2010	3,511	2,248,782	5,051	2,867,407
2011	3,427	2,397,288	4,956	3,133,324
2012	3,611	2,500,195	5,110	3,316,162

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

A summary of historic taxable sales within the County is shown below. Annual figures for 2013 are not yet available.

**COUNTY OF SAN JOAQUIN**  
**Taxable Retail Sales**  
**Number of Permits and Valuation of Taxable Transactions**  
**(Dollars in Thousands)**

	Retail Stores <sup>(1)</sup>		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2008	6,824	\$5,834,396	13,419	\$8,696,074
2009	8,203	4,974,437	12,297	7,260,073
2010	8,534	5,213,892	12,633	7,602,090
2011	8,337	5,740,948	12,450	8,426,952
2012	8,542	6,124,321	12,613	9,010,930

<sup>(1)</sup> Beginning in 2009, the North American Industrial Classification System (“NAICS”) codes were converted from the previous business coding system to the NAICS codes and are not directly comparable to that of prior years.  
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

## Income

Total personal income in the County increased by 38.5% between 2000 and 2012, representing an average annual compound growth rate of 4.5%. Per capita personal income in the County grew by 23.85% between 2000 and 2012, representing an average annual compound growth of 2.6%.

### COUNTY OF SAN JOAQUIN Personal Income 2000-2012<sup>(1)</sup> (in thousands)

<u>Year</u>	<u>County of San Joaquin</u>	<u>Annual % Change</u>
2000	\$14,280,516	9.28%
2001	15,042,649	5.34
2002	15,751,196	4.71
2003	16,763,601	6.43
2004	17,836,603	6.40
2005	18,578,286	4.16
2006	19,676,512	5.91
2007	20,817,871	5.80
2008	21,029,219	1.02
2009	20,747,584	-1.34
2010	21,214,529	2.25
2011	22,369,055	5.44
2012	23,203,279	3.73

<sup>(1)</sup> Latest data available

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

### COUNTY OF SAN JOAQUIN Per Capita Personal Income 2000-2012<sup>(1)</sup> (in thousands)

<u>Year</u>	<u>County of San Joaquin</u>	<u>Annual % Change</u>
2000	\$25,147	6.30%
2001	25,444	1.18
2002	25,862	1.64
2003	26,746	3.42
2004	27,744	3.73
2005	28,278	1.92
2006	29,686	4.98
2007	31,161	4.97
2008	31,308	0.47
2009	30,613	-2.22
2010	30,857	0.80
2011	32,157	4.21
2012	33,024	2.70

<sup>(1)</sup> Latest data available

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

## APPENDIX B

### SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

*The following is a summary of certain provisions of the Trust Agreement which are not described elsewhere in the Official Statement. This summary does not purport to be comprehensive, and reference should be made to the Trust Agreement for a full and complete statement of their provisions.*

#### DEFINITIONS

The terms set forth below shall have the following meanings set forth herein, unless the context clearly otherwise requires:

**“Accountant”** shall mean an independent certified public accountant, or a firm of independent certified public accountants, selected by the Authority.

**“Annual Debt Service”** shall mean, for each Fiscal Year, the sum of (1) the interest falling due on all Outstanding Bonds in such Fiscal Year, assuming that all Principal Installments are paid as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds), and (2) the scheduled Principal Installments of the Outstanding Bonds payable in such Fiscal Year.

**“Appraised Value”** shall mean the market value of land and improvements, if any, for a parcel, as set forth in an appraisal report prepared by an MAI appraiser acceptable to the Authority and dated not earlier than three months before the date of any determination for which such market value is utilized.

**“Assessed Value”** shall mean the total value of land and improvements, if any, for a parcel, as shown on the last equalized assessment roll of the San Joaquin County Assessor.

**“Authority”** shall mean the Stockton Public Financing Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California, and its successors.

**“Authorized Denominations”** shall mean five thousand dollars (\$5,000) and any integral multiple thereof, but not exceeding the principal amount of Bonds maturing on any one date.

**“Authorized Signatory”** shall mean any member of the Board of Directors of the Authority, the Executive Director or the Treasurer of the Authority, and any other person as may be designated and authorized to sign on behalf of the Authority pursuant to a resolution adopted thereby.

**“Average Annual Debt Service”** shall mean the average Annual Debt Service over all Fiscal Years during which the Bonds are scheduled to remain Outstanding.

**“Beneficial Owner”** shall mean any Person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the Owner of any Bonds.

**“Bond”** or **“Bonds”** shall mean any Bond or all of the Bonds, as the case may be, authorized and issued by the Authority and authenticated by the Trustee and delivered under the Trust Agreement, which Bonds are secured by a pledge of Revenues.

**“Bond Counsel”** shall mean an attorney at law, or a firm of such attorneys, of nationally recognized standing in matters pertaining to the tax exempt nature of interest on obligations issued by states and their political subdivisions.

**“Bond Register”** shall mean the registration books specified as such in the Trust Agreement.

**“Bond Year”** shall mean the 12 month period ending September 2, provided, that the first Bond Year shall commence on the Dated Date and end on September 2, 20\_\_.

**“Business Day”** shall mean any day other than (i) a Saturday or a Sunday or (ii) a day on which commercial banks in New York, New York, or the city in which the Corporate Trust Office of the Trustee is located are closed.

**“Chair”** shall mean the Chairperson of the Authority.

**“Chief Financial Officer”** shall mean the person who is the duly appointed and acting Chief Financial Officer of the City.

**“City”** shall mean the City of Stockton, a charter city and municipal corporation duly organized and existing under the Constitution and laws of the State of California, and its successors.

**“City Manager”** shall mean the person who is the duly appointed and acting City Manager of the City.

**“Code”** shall mean the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

**“Continuing Disclosure Agreement”** shall mean the Continuing Disclosure Agreement executed by the Authority, dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“Corporate Trust Office”** shall mean the office of the Trustee in Costa Mesa, California, at which at any particular time its corporate trust business shall be administered, or such other office as it shall designate from time to time.

**“Coverage Ratio”** shall mean the ratio of projected Revenues for the applicable Bond Year to Annual Debt Service.

**“Dated Date”** shall mean the date of delivery of the Bonds.

**“Defeasance Obligations”** shall mean (1) cash, (2) non callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated or (4) pre refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively (or any combination thereof).

**“Depository”** shall mean the securities depository acting as Depository pursuant to the Trust Agreement.

**“DTC”** shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

**“Event of Default”** shall mean any event of default specified as such in the Trust Agreement as summarized in this Appendix B under the caption “DEFAULTS AND REMEDIES - Events of Default.”

**“Expenses”** shall mean all costs of issuing the Bonds; all administrative costs of the Authority and the City that are charged directly or apportioned to the administration of the Local Obligations and the Bonds; such as salaries and wages of employees, audits, overhead and taxes (if any); legal and financial consultant fees and expenses; amounts necessary to pay to the United States of America or otherwise to satisfy requirements of the Code in order to maintain the tax-exempt status of the Bonds; compensation, reimbursement and indemnification of the Trustee, together with all other reasonable and necessary costs of the Authority and the City or charges required to be paid by either of them to comply with the terms of the Trust Agreement, the Bonds, or the Local Obligations; all fees and costs incurred by the Authority or the City in the course of complying with requirements for continuing

disclosure pursuant to the Trust Agreement; and all reasonable fees, costs and expenses of a nature similar to any of the foregoing.

**“Expense Fund”** shall mean the fund by that name established pursuant to the Trust Agreement as summarized in this Appendix B under the caption “REVENUES AND FUNDS FOR BONDS.”

**“Fiscal Year”** shall mean the fiscal year of the Authority, which at the date hereof is the period commencing on July 1 in each calendar year and ending on June 30 in the following calendar year.

**“Fund”** or **“Funds”** shall mean any or all, as the case may be, of the Revenue Fund, the Expense Fund, the Interest Fund, the Principal Fund, the Redemption Fund, the Reserve Fund, the Proceeds Fund, the Local Obligation Fund and the Rebate Fund, including all accounts therein.

**“Government Obligations”** shall mean and include any of the following securities: United States Treasury Obligations State and Local Government Series (SLGS), and United States Treasury bills, notes and bonds.

**“Interest Fund”** shall mean the fund by that name established pursuant to the Trust Agreement as summarized in this Appendix B under the caption “REVENUES AND FUNDS FOR BONDS.”

**“Interest Payment Date”** shall mean March 2 and September 2 in each year, commencing on March 2, 2015.

**“Investment Securities”** shall mean and include any of the following securities, to the extent permitted by the laws of the State:

(i) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(ii) Federal Housing Administration debentures.

(iii) The following listed obligations of government sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC)  
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)  
Senior Debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)  
Consolidated system wide bonds and notes
- Federal Home Loan Banks (FHL Banks)  
Consolidated debt obligations
- Federal National Mortgage Association (FNMA)  
Senior debt obligations  
Mortgage backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

- Student Loan Marketing Association (SLMA)  
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
- Financing Corporation (FICO)  
Debt obligations
- Resolution Funding Corporation (REFCORP)  
Debt obligations

(iv) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short term obligations of which are rated 'A 1' or better by S&P.

(v) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

(vi) Commercial paper (having original maturities of not more than 270 days) rated 'A 1+' by S&P and 'Prime 1' by Moody's.

(vii) Money market funds rated 'AAm' or 'AAm G' by S&P, or better including any fund for which the Trustee or any of its affiliates provides investment advisory, management of sponsorship services.

(viii) "State Obligations," which means:

(1) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated 'A3' by Moody's and 'A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(2) Direct general short term obligations of any state agency or subdivision or agency thereof described in (A) above and rated 'A 1+' by S&P and 'Prime 1' by Moody's.

(3) Special Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated 'AA' or better by S&P and 'Aa' or better by Moody's.

(ix) Pre refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(1) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(2) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(3) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(4) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;



(5) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(6) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(x) Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker dealer with "retail customers" or a related affiliate thereof which broker dealer has, or the parent company (which guarantees the provider) of which has, long term debt rated at least "A" by S&P and Moody's, which broker dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's, provided that:

a. The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

b. The Trustee or a third party acting solely as agent therefor or for the Authority (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

c. The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

d. All other requirements of S&P in respect of repurchase agreements shall be met.

e. The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Authority or the Trustee within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Authority or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

(xi) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long term debt of which, or, in the case of a guaranteed corporation the long term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

(1) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Authority and the Trustee will agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof; or, in the case of a bank, that the obligation of the bank to make payments under the agreement ranks *pari passu* with the obligations of the bank to its other depositors and its other unsecured and unsubordinated creditors;

(4) the Authority and the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Authority) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to the Authority and the Trustee;

(5) the investment agreement shall provide that if during its term

(a) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Authority, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A " or "A3", respectively, the provider must, at the direction of the Authority or the Trustee within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Authority or Trustee; and

(6) The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(7) the investment agreement must provide that if during its term

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Authority or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Authority or Trustee, as appropriate, and

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Authority or Trustee, as appropriate.

(xii) The Local Agency Investment Fund (Sections 53600-53609 of the California Government Code), as amended or supplemented from time to time; provided, that such investment is held in the name and to the credit of the Trustee; and provided further, that the Trustee may restrict such investment if required to keep monies available for the purposes of the Trust Agreement.

(xiii) Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by Section 53635 of the

California Government Code, as amended or supplemented from time to time; provided, that such shares are held in the name and to the credit of the Trustee.

**“Law”** shall mean the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended and supplemented from time to time.

**“Letter of Representations”** shall mean the letter of the Authority and the Trustee, if required, delivered to and accepted by the Depository on or prior to the issuance of bonds setting forth the basis on which the Depository serves as depository for the bonds, as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute depository.

**“Lien Amount”** shall mean, for any parcel, the unpaid principal amount of any reassessment secured by a recorded lien on the parcel, based upon information from the most recent available fiscal year of the City.

**“Local Obligation Resolution”** shall mean that Resolution adopted by the City Council of the City on July 29, 2014, providing for the issuance of Local Obligations upon the security of the reassessments levied in the reassessment district known as City of Stockton, Mosher Reassessment District No. 2014-1.

**“Local Obligation Fund”** shall mean the fund by that name established pursuant to the Trust Agreement as summarized in this Appendix B under the caption “REVENUES AND FUNDS FOR BONDS.”

**“Local Obligations”** shall mean the City of Stockton Limited Obligation Improvement Bonds, Mosher Reassessment District No. 2014-1, issued upon the security of reassessments pursuant to the applicable Local Obligation Resolution and the 1984 Act.

**“Maximum Annual Debt Service”** shall mean the largest Annual Debt Service during the period from the date of such determination through the final maturity date of any Outstanding Bonds.

**“Moody’s”** shall mean Moody’s Investors Service and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a municipal securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the Authority.

**“1984 Act”** shall mean the Refunding Bond Act of 1984 for 1915 Improvement Act Bonds, being Division 11.5 of the California Streets and Highways Code, as amended and supplemented from time to time.

**“Nominee”** shall mean the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Trust Agreement.

**“Opinion of Bond Counsel”** shall mean a legal opinion signed by a Bond Counsel.

**“Outstanding”** shall mean, with respect to the Bonds and as of any date, the aggregate of Bonds authorized, issued, authenticated and delivered under the Trust Agreement, except:

- (a) Bonds canceled or surrendered to the Trustee for cancellation pursuant to the Trust Agreement;
- (b) Bonds deemed to have been paid pursuant to the Trust Agreement; and
- (c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Trust Agreement as summarized in this Appendix B under the caption “TERMS OF BONDS - Bonds Mutilated, Destroyed, Stolen or Lost.

**“Owner”** shall mean, as of any date, the Person or Persons in whose name or names a particular Bond shall be registered on the Bond Register as of such date.

**“Participants”** shall mean those broker dealers, banks and other financial institutions from time to time for which the Depository holds the Bonds as securities depository.

**“Person”** shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

**“Prepayment Account”** shall mean the account by that name within the Revenue Fund established pursuant to the Trust Agreement as summarized in this Appendix B in paragraph (c) under the caption “REVENUES AND FUNDS FOR BONDS - Revenues Derived From Reassessment Prepayments.”

**“Principal Fund”** shall mean the fund by that name established pursuant to the Trust Agreement as summarized in this Appendix B under the caption “REVENUES AND FUNDS FOR BONDS.”

**“Principal Installment”** shall mean, with respect to any Principal Payment Date, the principal amount of Outstanding Bonds due on such date, if any.

**“Principal Payment Date”** shall mean September 2 of each year commencing on September 2, 20\_\_, and ending on September 2, 20\_\_.

**“Proceeds Fund”** shall mean the fund by that name established pursuant to the Trust Agreement as summarized in this Appendix B under the caption “REVENUES AND FUNDS FOR BONDS.”

**“Purchaser”** shall mean RBC Capital Markets, as underwriter for the Bonds.

**“Reassessment Prepayments”** shall mean that portion of Revenues which are paid to the City by or on behalf of the owner of a parcel subject to the reassessment obligation to accomplish a pay-off of the reassessment obligation pertaining to such parcel and the discharge of the reassessment lien respecting such parcel (except the portion thereof, if any, which represents accrued interest on the Local Obligations).

**“Reassessment Revenues”** shall mean all moneys collected and received by the City on account of unpaid reassessment obligations, including amounts collected in the normal course via direct billing by the City, Reassessment Prepayments, and amounts received by the City as a result of superior court foreclosure proceedings brought to enforce payment of delinquent reassessments, but excluding therefrom any amounts explicitly included therein on account of collection charges, administrative cost charges, or attorneys’ fees and costs paid as a result of foreclosure actions.

**“Rebate Fund”** shall mean the fund by that name established pursuant to the Trust Agreement as summarized in this Appendix B under the caption “REVENUES AND FUNDS FOR BONDS.”

**“Rebate Instructions”** shall mean the calculations and directions required to be delivered to the Trustee by the Authority pursuant to the Tax Certificate.

**“Rebate Requirement”** shall mean the Rebate Requirement defined in the Tax Certificate.

**“Record Date”** shall mean the fifteenth (15th) day of the month preceding any Interest Payment Date, whether or not such day is a Business Day.

**“Redemption Fund”** shall mean the fund by that name established pursuant to the Trust Agreement as summarized in this Appendix B under the caption “REVENUES AND FUNDS FOR BONDS.”

**“Reserve Fund”** shall mean the fund by that name established pursuant to the Trust Agreement as summarized in this Appendix B under the caption “REVENUES AND FUNDS FOR BONDS.”

**“Reserve Requirement”** shall mean, as of any date of calculation, the lesser of (i) Maximum Annual Debt Service on the Bonds, (ii) 125% of Average Annual Debt Service, or (iii) 10% of the amount (within the meaning of

Section 148 of the Code) of the Bonds; which amount shall be reduced in the event of a partial redemption of the Bonds pursuant to the provisions of the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Redemption,” as set forth in the Written Order delivered to the Trustee pursuant to the provisions of the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Redemption Instructions” in connection with such redemption.

“**Revenue Fund**” shall mean the fund by that name established pursuant to the Trust Agreement as summarized in this Appendix B under the caption “REVENUES AND FUNDS FOR BONDS.”

“**Revenues**” shall mean the Reassessment Revenues and all other amounts received by the Trustee, as the payment of interest or premiums on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, all Local Obligations whether as a result of scheduled payments of Reassessment installments or as a result of Reassessment Prepayments or as a result of remedial proceedings taken in the event of a default in either case thereon, and all investment earnings on any moneys held in the Funds established under the Trust Agreement, except the Rebate Fund.

“**Secretary**” shall mean the Secretary of the Authority.

“**Special Record Date**” shall mean the date established by the Trustee pursuant to the Trust Agreement as summarized in this Appendix B under the caption “TERMS OF BONDS - The Bonds” as a record date for the payment of defaulted interest on the Bonds.

“**State**” shall mean the State of California.

“**Supplemental Trust Agreement**” shall mean any trust agreement supplemental to or amendatory of the Trust Agreement which is duly executed and delivered in accordance with the provisions of the Trust Agreement as summarized in this Appendix B under the section heading “SUPPLEMENTAL TRUST AGREEMENTS.”

“**Tax Certificate**” shall mean that certificate, relating to various federal tax requirements, including the requirements of Section 148 of the Code, signed by the Authority and the City on the date the Bonds are issued, as the same may be amended or supplemented in accordance with its terms.

“**Trust Agreement**” shall mean the Trust Agreement executed and entered into as of August 1, 2014, between the Authority and the Trustee, pursuant to which the Bonds are to be issued, as amended or supplemented from time to time in accordance with its terms.

“**Trust Estate**” shall have the mean, as more particularly defined in the Trust Agreement, (a) the proceeds of sale of the Bonds, (b) the Revenues, (c) the amounts in the Funds established under the Trust Agreement, except amounts in the Rebate Fund; and (d) the Local Obligations.

“**Trustee**” shall mean Wells Fargo Bank, National Association, a national banking association duly organized and existing under the laws of the United States of America, in its capacity as trustee under the Trust Agreement, and any successor as trustee under the Trust Agreement.

“**Vice Chair**” shall mean the Vice Chairperson of the Authority.

“**Written Order**” shall mean a written direction of the Authority to the Trustee signed by an Authorized Signatory.

## TERMS OF BONDS

**The Bonds.** Bonds in an unlimited amount may be issued under the Trust Agreement in accordance with the provisions of the Trust Agreement. The Bonds shall be dated as of the Dated Date and shall bear interest at the rates specified in the table below, such interest being payable on each Interest Payment Date, and shall mature on the Principal Payment Dates in the following years in the following principal amounts, namely:

The principal of and redemption premiums, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. The Bonds shall be issued as fully registered bonds in Authorized Denominations and shall be numbered as the Trustee shall determine. The Bonds shall be initially registered as directed by the purchaser of the Bonds. The Bonds shall bear interest from the Dated Date. Payment of the interest on any Bond shall be made to the Person whose name appears on the Bond Register as the Owner thereof as of the close of business on the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such Owner to the Trustee (in form satisfactory to the Trustee), received not later than the Record Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America. The principal of and redemption premiums, if any, on the Bonds shall be payable by the Trustee at its Corporate Trust Office upon presentation and surrender of such Bonds. Interest shall be calculated on the basis of a 360-day year consisting of twelve (12) 30-day calendar months.

Notwithstanding any other provision contained in the Trust Agreement, any interest not punctually paid or duly provided for, as a result of an Event of Default or otherwise, shall forthwith cease to be payable to the Owner on the Record Date and shall be paid to the Owner in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than ten (10) days prior to such Special Record Date.

**Bonds Mutilated, Destroyed, Stolen or Lost.** In the event any Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request in writing, the Trustee shall authenticate and deliver a substitute Bond of the same principal amount and maturity as the mutilated, lost, stolen or destroyed Bond in exchange and substitution for such mutilated Bond, or in lieu of and substitution for such lost, stolen or destroyed Bond.

Application for exchange and substitution of mutilated, lost, stolen or destroyed Bonds shall be made to the Trustee at its Corporate Trust Office. In every case the applicant for a substitute Bond shall furnish to the Trustee security or indemnification to its satisfaction, and in every case of loss, theft or destruction of a Bond, the applicant shall also furnish to the Authority and the Trustee evidence to their satisfaction of the loss, theft or destruction and of the identity of the applicant, and in every case of mutilation of a Bond, the applicant shall surrender the Bond so mutilated to the Trustee.

Notwithstanding the foregoing provisions of this section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or redemption premiums, if any, on or interest on the Bonds, the Trustee may pay the same (without surrender thereof except in the case of a mutilated Bond) instead of issuing a substitute Bond so long as security or indemnification is furnished as above provided.

Upon the issuance of any substitute Bond, the Trustee may charge the Owner of such Bond with its reasonable fees and expenses in connection therewith. Every substitute Bond issued pursuant to the provisions of this section by virtue of the fact that any Bond is lost, stolen or destroyed shall constitute an original additional contractual obligation of the Authority, whether or not the lost, stolen or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of the Trust Agreement equally and proportionally with any and all other Bonds duly issued under the Trust Agreement to the same extent as the Bonds in substitution for which such substitute Bonds were issued.

**Execution of Bonds.** All the Bonds shall, from time to time, be executed on behalf of the Authority by the manual or facsimile signature of the Chairperson and attested by the manual or facsimile signature of the Secretary.

If any of the officers who shall have signed any of the Bonds shall cease to be such officer of the Authority before the Bond so signed shall have been actually authenticated by the Trustee or delivered, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed such Bonds had not ceased to be such officer of the Authority, and any such Bond may be

signed on behalf of the Authority by those persons who, at the actual date of the execution of such Bonds, shall be the proper officers of the Authority, although at the date of such Bond any such person shall not have been such officer of the Authority.

**Book Entry System.** The Authority may designate any issue of Bonds as book-entry Bonds, in which case, each maturity of such Bonds shall be in the form of a separate single fully registered Bond (which may be typewritten). Upon their issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of the Nominee, as nominee of the Depository.

With respect to book-entry Bonds, the Authority and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book entry Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book entry Bonds to be redeemed in the event the Authority redeems such in part, or (iv) the payment of any Participant or any other person, other than an Owner as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Authority and the Trustee may treat and consider the person in whose name each is registered in the Bond Register as the absolute Owner of such for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation of the Authority to make payments of principal, premium, if any, and interest pursuant to the Trust Agreement. Upon delivery by the Depository to the Trustee and the Authority of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions in the Trust Agreement with respect to record dates, the term Nominee under the Trust Agreement shall refer to such nominee of the Depository.

In order to qualify the Bonds for the Depository's book entry system, the Authority and the Trustee shall execute and deliver to the Depository a Letter of Representations as may be required by the Depository. The execution and delivery of such Letter of Representations shall not in any way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in such Bonds other than the Owners, as shown on the Bond Register. In addition to the execution and delivery of a Letter of Representations, the Authority and the Trustee shall take such other actions, not inconsistent with the Trust Agreement, as are reasonably necessary to qualify the Bonds for the Depository's book entry program.

In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the Authority will discontinue the book entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate, fully registered Bond for each of the maturities of such Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names Owners transferring or exchanging such Bonds shall designate in accordance with provisions of the Trust Agreement.

Notwithstanding any other provision of the Trust Agreement to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

**Transfer and Registration of Bonds.** The Bonds may be transferred or exchanged and title thereto shall pass only in the manner provided in the Trust Agreement, and the Trustee shall keep books constituting the Bond Register for the registration and transfer of the Bonds as provided in the Trust Agreement. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner or by his attorney duly authorized in writing, and all such Bonds shall be surrendered to the Trustee and canceled by the Trustee pursuant to the Trust Agreement as summarized below under the caption “Cancellation of Bonds.” The Authority and the Trustee may deem and treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving any payment on such Bond and for all other purposes of the Trust Agreement, whether such Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

**Regulations With Respect to Exchanges or Transfers of Bonds.** ■ In all cases in which the privilege of exchanging or registering the transfer of Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Trust Agreement. There shall be no charge to the Owner for any such exchange or registration of transfer of Bonds, but the Authority may require the payment of a sum sufficient to pay any tax or other governmental charge required to be paid with respect to any such exchange or registration of transfer. Neither the Authority nor the Trustee shall be required to register the transfer or exchange of any Bond during the period established by the Trustee for selection of Bonds for redemption or to register the transfer or exchange of any Bond selected for redemption.

(a) Upon surrender for exchange or transfer of any Bond at the Corporate Trust Office of the Trustee, the Authority shall execute and the Trustee shall authenticate and deliver in the name of the Owner (in the case of transfers) a new Bond or Bonds of Authorized Denominations, in the aggregate principal amount which the registered Owner is entitled to receive.

(b) New Bonds delivered upon any transfer or exchange shall be valid obligations of the Authority, evidencing the same debt as the Bonds surrendered, shall be secured under the Trust Agreement and shall be entitled to all of the security and benefits of the Trust Agreement to the same extent as the Bonds surrendered.

**Authentication of Bonds.** No Bond shall be secured under the Trust Agreement or entitled to the benefits of the Trust Agreement or shall be valid or obligatory for any purpose unless there shall be endorsed on such Bond the Trustee’s certificate of authentication, substantially in the form prescribed in the Trust Agreement, executed by the manual signature of a duly authorized signatory of the Trustee; and such certificate on any Bond issued by the Authority shall be conclusive evidence and the only competent evidence that such Bond has been duly authenticated and delivered under the Trust Agreement.

**Cancellation of Bonds.** Upon the surrender to the Trustee of any temporary or mutilated Bond, or any Bond surrendered for transfer or exchange, or any Bond purchased, redeemed or paid at maturity, the same shall forthwith be canceled and the Trustee shall destroy such Bonds and upon written request of the Authority the Trustee shall deliver a certificate of destruction with respect thereto to the Authority.

**Bonds as Special Obligations.** The Bonds are special, limited obligations of the Authority, payable from the Trust Estate and secured as to the payment of the principal of and the redemption premiums, if any, and the interest on in accordance with their terms and the terms of the Trust Agreement, solely by the Trust Estate. The Bonds do not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of or redemption premiums, if any, or interest on the Bonds except from the Trust Estate. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of or redemption premiums, if any, or interest on the Bonds, and neither the faith and credit nor the taxing power of the City, the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of or redemption premiums, if any, or interest on the Bonds. The payment of the principal of or redemption premiums, if any, or interest on, the Bonds does not constitute a debt, liability or obligation of the City, the State or any public agency (other than the Authority) or any member of the Authority.



No agreement or covenant contained in any Bond or in the Trust Agreement shall be deemed to be an agreement or covenant of any officer, member, agent or employee of the Authority in his or her individual capacity, and neither the members of the Authority nor any officer or employee thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

## **REVENUES AND FUNDS FOR BONDS**

**Establishment of Funds.** There is established with the Trustee, and the Trustee will agree to maintain, the following special trust funds for the Bonds, which the Trustee shall keep separate and apart from all other funds and moneys held by it: the Revenue Fund, the Interest Fund, the Principal Fund, the Expense Fund, the Redemption Fund, the Proceeds Fund, the Reserve Fund, the Local Obligation Fund and the Rebate Fund.

**Proceeds Fund.** Amounts in the Proceeds Fund shall be applied on the Dated Date by the Trustee upon receipt of a Written Order of the Authority to the purchase of the Local Obligations designated in such Written Order. If any amount shall remain in the Proceeds Fund following such purchase, such amount shall be deposited by the Trustee in the Revenue Fund.

**Local Obligation Fund.** All Local Obligations acquired by the Trustee pursuant to the Trust Agreement shall be deposited in the Local Obligation Fund, which the Trustee shall establish and maintain.

**Revenue Fund.** All Revenues received by the Trustee, other than Revenues derived from Reassessment Prepayments and Special Tax Prepayments (which shall be deposited in the Prepayment Account and administered in accordance with the Trust Agreement as summarized in this Appendix B in paragraph (c) under the caption “REVENUES AND FUNDS FOR BONDS - Revenues Derived From Reassessment Prepayments,” shall be deposited by the Trustee into the Revenue Fund. Not later than each Interest Payment Date and Principal Payment Date on the Bonds, the Trustee shall transfer Revenues from the Revenue Fund, in the amounts specified in the Trust Agreement as summarized in this Appendix B under the caption “REVENUES AND FUNDS FOR BONDS” for deposit into the respective Funds specified therein in the order of priority set forth, the requirements of each Fund to be fully satisfied, leaving no deficiencies therein, prior to any deposit into any Fund later in priority.

### **Revenues Derived From Reassessment Prepayments.**

(c) The Authority acknowledges that the 1984 Act requires that amounts received by the City on account of Reassessment Prepayments shall be utilized, in accordance with the 1984 Act, for the sole purpose of prior redemption of Local Obligations, and not to pay current, scheduled debt service payments on the Local Obligations. Correspondingly, in order to maintain a proper matching between debt service payments on the Local Obligations and debt service payments on the Bonds, all Revenues received by the Trustee which constitute Reassessment Prepayments when received by the City shall be transferred to the Trustee and shall be utilized by the Trustee for the extraordinary redemption of bonds pursuant to the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Redemption,” the Written Orders of the Authority required pursuant to the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Redemption Instructions,” and this section. The City shall provide the Trustee with written notification of any amounts sent to the Trustee by the City which constitute Reassessment Prepayments.

(d) The Authority will covenant for the benefit of the Owners that, as to each separate date upon which Bonds are to be redeemed from the proceeds of Reassessment Prepayments pursuant to the terms for extraordinary redemption of bonds pursuant to the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Redemption,” the Written Orders of the Authority required pursuant to the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Redemption Instructions” shall as nearly as possible (taking into account the minimum denominations of such bonds) apply such Reassessment Prepayments to the redemption of Bonds.

(e) All Revenues derived from Reassessment Prepayments received by the Trustee shall be immediately deposited in the Prepayment Account within the Revenue Fund, which account the Trustee agrees to

establish and maintain. All other amounts on deposit in the Prepayment Account shall be transferred to the Redemption Fund to be used to redeem Bonds by optional redemption pursuant to the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Redemption..”

**Interest Fund.** The Trustee shall deposit in the Interest Fund before each Interest Payment Date from the Revenue Fund an amount of Revenues which together with any amounts then on deposit in the Interest Fund is equal to the interest on the Bonds due on such date. On each Interest Payment Date, the Trustee shall pay the interest due and payable on the Bonds on such date from the Interest Fund. All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable.

**Principal Fund.** After satisfying the requirements of the foregoing as summarized above under the caption “Interest Fund” respecting deposits in the Interest Fund, the Trustee shall deposit in the Principal Fund (i) before each March 2 from the Revenue Fund an amount of Revenues which is equal to one-half of the principal amount of Bonds maturing on the next succeeding September 2 and (ii) before each September 2 from the Revenue Fund an amount of Revenues which, together with any amounts then on deposit in the Principal Fund (other than amounts previously deposited on account of any Bonds which have matured but which have not been presented for payment), is sufficient to pay the Principal Installments on the Bonds when due on such Principal Payment Date. The Trustee shall pay from amounts in the Principal Fund the Principal Installments when due upon presentation and surrender of the Bonds.

**Expense Fund.** Amounts in the Expense Fund shall be applied by the Trustee to the payment of Expenses upon receipt of a Written Order of the Authority stating the Person to whom payment is to be made, the amount and purpose of the payment and that the payment is a proper charge against the Expense Fund.

**Reserve Fund.**

(a) The Trustee shall deposit in the accounts within the Reserve Fund the amounts transferred pursuant to the Trust Agreement. Except as provided in subsection (b), (c) and (d) below, all moneys in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on or the principal or the redemption premiums, if any, of, the Bonds; but solely in the event that insufficient moneys are available in the Interest Fund, the Principal Fund or the Redemption Fund for such purpose.

(b) Upon any partial redemption of Bonds pursuant to the provisions of the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Redemption,” the Trustee shall withdraw an amount from the Reserve Fund equal to the reduction in the Reserve Requirement specified in the Written Order of the Authority delivered in connection with such redemption pursuant to the provisions of the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Redemption Instructions,” and transfer such amount to the Redemption Fund.

(c) In the event of a redemption of Local Obligations resulting from a Property Owner Prepayment, the Trustee shall transfer to the Local Obligation Redemption Fund from the Reserve Fund an amount equal to the proportionate share of the Reserve Fund allocable to such prepayment, as specified in the Written Order of the Authority. The Trustee shall notify the City of such amounts to be transferred.

(d) The Reserve Requirement shall be reduced on each of the following dates in the following amounts:

Amounts in the Reserve Fund in excess of the Reserve Requirement on each September 2 commencing September 2, 20\_\_, shall be transferred to the Revenue Fund and the Trustee shall notify the City of the amount of such transfer, which the City may apply as a credit against debt service due on such dates for the Local Obligations.

(e) Except as provided in the Trust Agreement as summarized in this Appendix B under the caption “SECURITY FOR AND INVESTMENT OF MONEY - Investment of Funds,” the Trustee shall retain in the Reserve Fund all earnings on amounts on deposit in such account which amounts shall be applied as provided in subsection (a) above.

(f) Notwithstanding any other provision of the Trust Agreement, the failure to maintain an amount in the Reserve Fund equal to the Reserve Requirement shall not be an Event of Default under the Trust Agreement.

(g) After satisfying the requirements of the foregoing as summarized above under the captions “Interest Fund,” “Principal Fund,” “Expense Fund” and “Reserve Fund” respecting deposits in the Interest Fund and the Principal Fund, the Trustee shall deposit in the Reserve Fund from the Revenue Fund an amount of Revenues necessary to make the amount on deposit in the Reserve Fund equal to the Reserve Requirement.

**Section 1.02 Redemption Fund.** (a) All money held in or transferred to the Redemption Fund pursuant to the Trust Agreement as summarized in this Appendix B under the caption “REVENUES AND FUNDS FOR BONDS - Revenues Derived From Reassessment Prepayments” shall be used for the purpose of redeeming or purchasing all or a portion of the Outstanding Bonds pursuant to the provisions of the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Redemption” or under the caption “THE BONDS – Purchase In Lieu of Redemption,” as applicable.

(b) The Trustee shall use amounts in the Redemption Fund for the payment of the redemption price of Bonds called for redemption pursuant to the provisions of the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Redemption” or the purchase price of Bonds purchased pursuant to the provisions of the Trust Agreement as summarized in the forepart of this Official Statement under the caption “THE BONDS – Purchase In Lieu of Redemption,” together with accrued interest to the redemption or purchase date.

**Transfer to the City.** Having first satisfied the requirements of the foregoing as summarized above under the captions “Interest Fund,” “Principal Fund,” “Expense Fund” and “Reserve Fund,” the Trustee shall transfer any remaining Revenues to the City for deposit in the Redemption Fund as defined in the Local Obligation Resolution.

**Rebate Fund.** The Trustee agrees to establish and maintain a Fund separate from any other fund established and maintained under the Trust Agreement designated the Rebate Fund. The Trustee shall deposit in the Rebate Fund, from funds made available by the Authority, the Rebate Requirement, all in accordance with Rebate Instructions received from the Authority. The Trustee will apply moneys held in the Rebate Fund as provided in the Trust Agreement as summarized in this Appendix B under the caption “COVENANTS OF THE AUTHORITY - Tax Covenants” and according to written instructions provided by the Authority. Subject to the provisions of the Trust Agreement as summarized in this Appendix B under the caption “COVENANTS OF THE AUTHORITY - Tax Covenants,” moneys held in the Rebate Fund will be pledged to secure payments to the United States of America, and the Authority and the City and the Owners will have no rights in or claim to such moneys. The Trustee will invest all amounts held in the Rebate Fund in Investment Securities as directed in writing by the Authority and all investment earnings with respect thereto shall be deposited in the Rebate Fund.

Upon receipt of the Rebate Instructions required by the Tax Certificate to be delivered to the Trustee, the Trustee will remit part or all of the balance held in the Rebate Fund to the United States of America as so directed. In addition, if the Rebate Instructions so direct, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such Funds as the Rebate Instructions shall direct. The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority including supplying all necessary information in the manner provided in the Tax Certificate to the extent such information is reasonably available to the Trustee, and shall have no liability or responsibility to monitor or enforce compliance by the Authority with the terms of the Tax Certificate.

The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this section, other than from moneys held in the Rebate Fund or from other moneys provided to it by the Authority. The Trustee shall not be responsible for computing the Rebate Requirement. Computations of the Rebate Requirement shall be furnished to the Trustee or on behalf of the Authority in accordance with the Tax Certificate.

Notwithstanding any other provision of the Trust Agreement, including in particular the terms of the Trust Agreement as summarized in this Appendix B under the section heading “DEFEASANCE,” the obligation of the Authority to remit the rebate amounts to the United States of America and to comply with all other requirements of this section and the Tax Certificate shall survive the defeasance or payment in full of the Bonds.

## SECURITY FOR AND INVESTMENT OF MONEY

**Security.** All money required to be deposited with or paid to the Trustee in any of the Funds (other than the Rebate Fund) referred to in any provision of the Trust Agreement shall be held by the Trustee in trust, and except for money held for the payment or redemption of Bonds or the payment of interest on Bonds pursuant to the Trust Agreement as summarized in this Appendix B under the caption “DEFEASANCE - Money Held for Particular Bonds,” shall, while held by the Trustee, constitute part of the Trust Estate and shall be subject to the lien and pledge created by the Trust Agreement.

**Investment of Funds.** (a) So long as the Bonds are Outstanding and there is no default under the Trust Agreement, money on deposit to the credit of the Redemption Fund, the Revenue Fund, the Interest Fund, the Principal Fund, the Reserve Fund and all accounts within such Funds (other than amounts invested in Local Obligations) shall, at the request of the Authority specifying and directing that such investment of such money be made, be invested by the Trustee in Investment Securities having maturities or otherwise providing for availability of money when needed for purposes of the Trust Agreement; provided that investments purchased with funds on deposit in the Reserve Fund shall have an average weighted term to maturity not greater than five years (for purposes of such calculation, investments which allow for withdrawals on any Interest Payment Date or any other date at par shall be deemed to have a term to maturity to the first permitted date of withdrawal at par), and money held in the Rebate Fund shall, at the request of the Authority specifying and directing that such investment of such money be made, be invested by the Trustee in Government Obligations having maturities or otherwise providing for availability of money when needed for purposes of the Trust Agreement, and the Trustee shall be entitled to rely on such instructions for purposes of this section. The Trustee shall notify the Authority in writing prior to the date money held under the Trust Agreement will be available for investment, requesting that the Authority deliver to the Trustee written instructions specifying the Investment Securities to be acquired by the Trustee with such money. The Authority, in issuing such written instructions, shall comply with the provisions of the Tax Certificate. In the absence of written instructions from the Authority regarding investment, such money shall be invested in investments described in clause (7) of the definition of Investment Securities. The Trustee may act as principal or agent in the acquisition or disposition of any investments. The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall furnish the Authority periodic cash transaction statements (at least monthly) which include detail for all investment transactions made by the Trustee under the Trust Agreement, which statements shall include the amount of all brokerage commissions or other fees, whether charged by the Trustee or a third party.

(b) Money on deposit in the Proceeds Fund, if any, shall be invested in Investment Securities pursuant to a Written Order and such money may not be reinvested in any other Investment Securities unless the Trustee receives, at the time of such reinvestment, a further Written Order to the effect that, after such reinvestment, the Revenues will be sufficient to pay principal and interest on the Bonds when due.

(c) Notwithstanding anything to the contrary contained in the Trust Agreement, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the Fund from which such accrued interest was paid. The Trustee shall not be responsible for any losses or consequences of any investment if it follows such instructions in good faith. Notwithstanding anything to the contrary contained in the Trust Agreement, the Trustee shall have no obligation or responsibility to determine whether investment in a security is permitted by the laws of the State, and shall be entitled to assume that any investment it is directed to make is so permitted.

The securities purchased with the money in each Fund shall be deemed a part of such Fund. If at any time it shall become necessary or appropriate that some or all of the securities purchased with the money in any Fund be redeemed or sold in order to raise money necessary to comply with the provisions of the Trust Agreement, the Trustee shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same. The Trustee shall not be liable or responsible for any consequences resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as authorized pursuant to this section.

Investments in the Revenue Fund, the Interest Fund, the Principal Fund, the Reserve Fund and the Redemption Fund may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions in the Trust Agreement for transfer to or holding in particular Funds amounts received or held by the Trustee; provided, that the Trustee shall at all times account for such investments strictly in accordance with the Funds to which they are credited and otherwise as provided in the Trust Agreement.

(d) All earnings on the investment of the money on deposit in any Fund shall remain a part of such Fund; provided, that in the event the amount on deposit in the Reserve Fund is equal to the Reserve Requirement, then earnings on the investment of money on deposit in the Reserve Fund shall be transferred to the Revenue Fund, said transfer to be made on each March 2 and September 2 after the payment of all amounts required to be paid on such dates pursuant to the Trust Agreement.

## **COVENANTS OF THE AUTHORITY**

**Payment of Bonds; No Encumbrances.** The Authority shall cause the Trustee to promptly pay, from Revenues and other funds derived from the Trust Estate pledged under the Trust Agreement, the principal of and redemption premium, if any, on and the interest on every Bond issued under and secured by the Trust Agreement at the place, on the dates and in the manner specified in the Trust Agreement and in such Bonds according to the true intent and meaning thereof. The Authority shall not issue any bonds, notes or other evidences of indebtedness or incur any obligations payable from or secured by the Trust Estate, other than the Bonds.

**Enforcement and Amendment of Local Obligations.** The Authority and the Trustee, subject to the provisions of the Trust Agreement, shall enforce all of their rights with respect to the Local Obligations to the fullest extent necessary to preserve the rights and protect the security of the Owners under the Trust Agreement.

The Authority and the Trustee may, without the consent of or notice to the Owners of the Bonds, consent to any amendment, change or modification of any Local Obligation that may be required (a) to conform to the provisions of the Trust Agreement (including any modifications or changes contained in any Supplemental Trust Agreement), (b) for the purpose of curing any ambiguity or inconsistency or formal defect or omission, (c) to add additional rights acquired in accordance with the provisions of such Local Obligation, (d) in connection with any other change therein which is not to the material prejudice of the Trustee, the Owners of the Bonds pursuant to an Opinion of Bond Counsel, or (e) in the Opinion of Bond Counsel, to preserve or assure the exemption of interest on the Local Obligation or the Bonds from federal income taxes or the exemption of such interest from State personal income taxes.

**Further Documents.** The Authority covenants that it will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose of the Trust Agreement; provided, that no such instruments or actions shall pledge the faith and credit or the taxing power of the State or any political subdivision of the State.

### **Tax Covenants.**

(a) The Authority will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Bonds under Section 103 of the Code. The Authority will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority or take or omit to take any action that would cause the Bonds to be “private activity bonds” within the meaning of Section 141(a) of the Code or obligations which are “federally guaranteed” within the meaning of Section 149(b) of the Code. The Authority will not allow ten per cent (10%) or more of the proceeds of the Bonds to be used in the trade or business of any nongovernmental units and will not lend five per cent (5%) or more of the proceeds of the Bonds to any nongovernmental units.

(b) The Authority will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority or take or omit to take any action that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. To that end, the Authority will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds. In the event that at any time the Authority is of the

opinion that for purposes of this section it is necessary to restrict or to limit the yield on the investment of any money held by the Trustee under the Trust Agreement, the Authority will so instruct the Trustee in writing, and the Trustee will take such actions as directed by such instructions.

(c) The Authority will pay or cause to be paid the Rebate Requirement as provided in the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds. The Authority will cause the Rebate Requirement to be deposited in the Rebate Fund as provided in the Tax Certificate (which is incorporated into the Trust Agreement by reference).

The Trustee will conclusively be deemed to have complied with the provisions of this section and the provisions of the Tax Certificate if it follows the directions of the Authority set forth in the Tax Certificate and the Rebate Instructions and shall not be required to take any actions under the Trust Agreement in the absence of Rebate Instructions from the Authority.

(d) Notwithstanding any provision of this section, if the Authority shall provide to the Trustee an Opinion of Bond Counsel that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest with respect to the Bonds, the Trustee and the Authority may conclusively rely on such opinion in complying with the requirements of this section, and the covenants under the Trust Agreement shall be deemed to be modified to that extent.

(e) The provisions of this section shall survive the defeasance of the Bonds.

**Maintenance of Existence.** The Authority shall maintain the existence, powers and authority of the Authority as a joint exercise of powers authority under the laws of the State.

**Financial Statements.** The Authority shall file with the Trustee within one hundred eighty (180) days of the end of each Fiscal Year a complete, separate financial statement (including a balance sheet and a statement of revenues and expenses) together with the report and opinion of an Accountant stating that the financial statements have been prepared in accordance with generally accepted accounting principles and that such Accountant's examination was performed in accordance with generally accepted auditing standards. The Trustee shall have no duty to review or examine such financial statements.

**Continuing Disclosure.** The Authority and the Trustee will covenant and agree that they will comply with and carry out their obligations under the Continuing Disclosure Agreement. Any provision of the Continuing Disclosure Agreement may be modified or waived if there is filed with the Trustee an opinion of counsel to the effect that such modification or waiver will not, in and of itself, cause the undertaking of the Continuing Disclosure Agreement to no longer satisfy the requirements of Securities Exchange Commission Rule 15c2-12(b)(5). Notwithstanding any other provision of the Trust Agreement, failure of the Authority or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; provided, that any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this section.

## **DEFAULTS AND REMEDIES**

**Events of Default.** The following shall constitute "Events of Default" under the Trust Agreement:

- (a) if payment of interest on the Bonds shall not be made when due; or
- (b) if payment of any Principal Installment shall not be made when due and payable, whether at maturity, by proceedings for redemption, or otherwise; or
- (c) if the Authority shall fail to observe or perform in any material way any other agreement, condition, covenant or term contained in the Trust Agreement on its part to be observed or performed, and such failure shall continue for thirty (30) days after written notice specifying such failure and requiring the

same to be remedied shall have been given to the Authority by the Trustee provided, that if such default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected.

**Proceedings by Trustee; No Acceleration.** Upon the happening and continuance of any Event of Default the Trustee in its discretion may, and at the written request of the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds Outstanding shall (but only if indemnified to its satisfaction from any liability, expenses or costs), do the following:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners, including the right to receive and collect the Revenues;
- (b) bring suit upon or otherwise enforce any defaulting Local Obligation;
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners;
- (d) as a matter of right, have a receiver or receivers appointed for the Trust Estate and of the earnings, income, issues, products, profits and revenues thereof pending such proceedings, with such powers as the court making such appointment shall confer; and
- (e) take such action with respect to any and all Local Obligations or Investment Securities as the Trustee shall deem necessary and appropriate, subject to the Trust Agreement as summarized below under the caption "Rights of Owners" and to the terms of such Local Obligations or Investment Securities.

The Trustee shall have no right to declare the principal of all of the Bonds then Outstanding, or the interest accrued thereon, to be due and payable immediately.

**Effect of Discontinuance or Abandonment.** In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Trustee and the Owners shall be restored to their former positions and rights under the Trust Agreement, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

**Rights of Owners.** (a) Subject to the limitations and restrictions as to the rights of the Owners contained in the Trust Agreement, upon the happening and continuance of any Event of Default, the Owners of not less than twenty five per cent (25%) in aggregate principal amount of the Bonds then Outstanding shall have the right, upon providing the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, by an instrument in writing executed and delivered to the Trustee, have the right to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Trust Agreement.

(b) The Trustee may refuse to follow any direction that conflicts with law or the Trust Agreement or that the Trustee determines is prejudicial to rights of Owners or would subject the Trustee to personal liability without adequate indemnification therefor.

**Restriction on Owner's Action.** In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in the Trust Agreement, no Owner of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust under the Trust Agreement, or any other remedy under the Trust Agreement or on the Bonds, unless such Owner previously shall have given to the Trustee written notice of an Event of Default as provided in the Trust Agreement and unless the Owners of not less than twenty five per cent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee to institute any such suit, action, proceeding or other remedy, after the right to exercise such powers or rights of **action**, as the case may

be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Trust Agreement, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case to be conditions precedent to the execution of the trusts of the Trust Agreement or for any other remedy under the Trust Agreement, it being understood and intended that no one or more Owners of the Bonds secured by the Trust Agreement shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Trust Agreement, or to enforce any rights under the Trust Agreement or under the Bonds, except in the manner provided in the Trust Agreement, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Trust Agreement, and for the equal benefit of all Owners of Outstanding Bonds; subject, however, to the provisions of this section. Notwithstanding the foregoing provisions of this section or any other provision of the Trust Agreement, the obligation of the Authority shall be absolute and unconditional to pay, but solely from the Trust Estate, the principal of and the redemption premiums, if any, on and the interest on the Bonds to the respective Owners thereof at the respective due dates thereof, and nothing in the Trust Agreement shall affect or impair the right of action, which is absolute and unconditional, of such Owners to enforce such payment.

**Power of Trustee to Enforce.** All rights of action under the Trust Agreement or under any of the Bonds secured by the Trust Agreement which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceedings instituted by the Trustee shall be brought in its own name, as Trustee, for the equal and ratable benefit of the Owners subject to the provisions of the Trust Agreement.

**Remedies Not Exclusive.** No remedy conferred upon or reserved to the Trustee or to the Owners under the Trust Agreement is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Trust Agreement now or hereafter existing at law or in equity or by statute.

**Waiver of Events of Default; Effect of Waiver.** Upon the written request of the Owners of at least a majority in aggregate principal amount of all Outstanding Bonds the Trustee shall waive any Event of Default under the Trust Agreement and its consequences. If any Event of Default shall have been waived as provided in the Trust Agreement, the Trustee shall promptly give written notice of such waiver to the Authority and the City and shall give notice thereof by first class mail, postage prepaid, to all Owners of Outstanding Bonds if such Owners had previously been given notices of such Event of Default; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default, or impair any right or remedy consequent thereon.

No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein; and every power and remedy given to the Trustee and to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

**Application of Money.** Any money received by the Trustee pursuant to the Trust Agreement shall, after payment of all fees and expenses of the Trustee, and the fees and expenses of its counsel incurred in the performance of its duties under the Trust Agreement enforcing the rights and remedies of the Owners under the Trust Agreement, be applied as follows:

- (a) Unless the principal of all of the Outstanding Bonds shall be due and payable,

FIRST To the payment of the Owners entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

SECOND To the payment of the Owners entitled thereto of the unpaid principal of and redemption premiums, if any, on any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions of the Trust



Agreement) in the order of their due dates, and if the amount available shall not be sufficient to pay in full the principal of and redemption premiums, if any, on such Bonds due on any particular date, then to the payment ratably, according to the amount due on such date, to the Owners entitled thereto without any discrimination or privilege; and

THIRD To be held for the payment to the Owners entitled thereto as the same shall become due of the principal of and redemption premiums, if any, on and interest on the Bonds which may thereafter become due, either at maturity or upon call for redemption prior to maturity, and if the amount available shall not be sufficient to pay in full such principal and redemption premiums, if any, due on any particular date, together with interest then due and owing thereon, payment shall be made in accordance with the FIRST and SECOND paragraphs of the Trust Agreement.

(b) If the principal of all of the Outstanding Bonds shall be due and payable, to the payment of the principal and redemption premiums, if any, and interest then due and unpaid upon the Outstanding Bonds without preference or priority of any of the principal of or the redemption premium, if any, on any Outstanding Bond over any other Outstanding Bond or of any interest on any Outstanding Bond over any other Outstanding Bond, ratably, according to the amounts due respectively for principal and redemption premiums, if any, and interest, to the Owners entitled thereto without any discrimination or preference except as to any difference in the respective amounts of interest specified in the Outstanding Bonds.

(c) Whenever money is to be applied pursuant to the provisions of this section, such money shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. The Trustee shall give, by mailing by first class mail as it may deem appropriate, such notice of the deposit with it of any such money.

#### **THE TRUSTEE**

**Appointment and Acceptance of Duties.** The Trustee will accept and agree to the trusts created under the Trust Agreement to all of which the Authority agrees and the respective Owners of the Bonds, by their purchase and acceptance thereof, agree.

#### **Duties, Immunities and Liability of Trustee.**

(a) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in the Trust Agreement, and no implied duties or obligations shall be read under the Trust Agreement against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by the Trust Agreement, and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Authority (with the concurrence of the City) may, in the absence of an Event of Default, and upon receipt of an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this section, or shall become incapable of acting, or shall commence a case under any bankruptcy, insolvency or similar law, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation, shall, remove the Trustee by giving written notice of such removal to the Trustee, and thereupon the Authority (with the concurrence of the City) shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may, subject to subsection (d) of this section, resign by giving written notice of such resignation to the Authority and the City and by giving notice of such resignation by mail, first

class postage prepaid, to the Owners at the addresses listed in the Bond Register. Upon receiving such notice of resignation, the Authority (with the concurrence of the City) shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of the successor Trustee by the Authority and the City and acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and shall have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Trust Agreement shall signify its acceptance of such appointment by executing and delivering to the Authority and the City and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the money, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if it were originally named Trustee in the Trust Agreement; but, nevertheless, at the written request of the Authority or the City or the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Trust Agreement and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions provided in the Trust Agreement. Upon request of the successor Trustee, the Authority and the City shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such money, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such successor Trustee to the trusts under the Trust Agreement by first class mail, postage prepaid, to the Owners at their addresses listed in the Bond Register.

(e) Any successor Trustee appointed under the provisions of this section shall be a trust company or bank having the powers of a trust company, having a corporate trust office in California, and with a combined capital and surplus of at least fifty million dollars (\$50,000,000) and being subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection, the Trustee shall resign immediately in the manner and with the effect specified in this section.

(f) No provision in the Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties under the Trust Agreement unless the Owners shall have offered to the Trustee security or indemnity it deems reasonable, against the costs, expenses and liabilities that may be incurred. The Trustee shall be entitled to interest on all money advanced by it under the Trust Agreement at its prime rate then in effect plus two per cent (2%), but not to exceed the maximum interest rate permitted by the laws of the State.

(g) In accepting the trust created under the Trust Agreement, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

(h) The Trustee makes no representation or warranty, express or implied, as to the compliance with legal requirements of the use contemplated by the Authority or the City of the funds under the Trust Agreement including, without limitation, the purchase of the Local Obligations under the Trust Agreement; provided, that the Trustee shall not acquire Local Obligations other than pursuant to the provisions of the Trust Agreement.

(i) The Trustee shall not be responsible for the validity or effectiveness or value of any collateral or security securing any Local Obligation. The Trustee shall not be responsible for the recording or filing of any document relating to the Trust Agreement or any Local Obligation or of financing statements (or continuation statements in connection therewith) or mortgage or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests or lien on or in any collateral or security securing any Local Obligation. The Trustee shall not be deemed to have made representations as to the security afforded thereby or as to the validity or sufficiency of any such document, collateral or security.

(j) The Trustee shall not be deemed to have knowledge of any Event of Default under the Trust Agreement unless and until one of its officers shall have actual knowledge thereof at its Corporate Trust Office.

(k) The Trustee shall not be accountable for the use or application by the Authority or the City or any other party of any funds which the Trustee has released under the Trust Agreement.

(l) The Trustee shall provide a monthly accounting of all funds held pursuant to the Trust Agreement to the Authority within fifteen (15) Business Days after the end of such month and shall provide statements of account for each annual period beginning July 1 and ending June 30, within ninety (90) days after the end of such period. Such accounting shall show in reasonable detail all financial transactions during the accounting period and the balance in any accounts and funds (including the Local Obligation Fund) created under the Trust Agreement as of the beginning and the close of such accounting period.

(m) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

**Merger or Consolidation.** Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business; provided, that such company shall be eligible under the Trust Agreement as summarized in paragraph (e) above under the caption "Duties, Immunities and Liability of Trustee," shall succeed to the rights and obligations of the Trustee without the execution or filing of any paper or any further act, anything in the Trust Agreement to the contrary notwithstanding.

**Compensation and Indemnification.** The Authority shall pay or cause the City to pay the Trustee reasonable compensation for its services rendered under the Trust Agreement and reimburse the Trustee for reasonable expenses, disbursements and advances, including attorney's fees, incurred by the Trustee in the performance of its obligations under the Trust Agreement and with respect to the Local Obligations.

The Authority agrees, to the extent permitted by law, to indemnify the Trustee and its officers, directors, employees, attorneys and agents for, and to hold it harmless against, any loss, liability or expense incurred without negligence or willful misconduct on its part arising out of or in connection with (i) the acceptance or administration of the trusts imposed by the Trust Agreement, including performance of its duties under the Trust Agreement, including the costs and expenses of defending itself against any claims or liability in connection with the exercise or performance of any of its powers or duties under the Trust Agreement (ii) the projects to be financed with the purchase of the Local Obligations; (iii) the sale of any Bonds or the purchase of the Local Obligations and the carrying out of any of the transactions contemplated by the Bonds or the Local Obligations; or (iv) any untrue statement of any material fact or omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure document utilized by the Authority or the City in connection with the sale of the Bonds or the Local Obligations. The Authority's obligations under the Trust Agreement with respect to indemnity of the Trustee and the provision for its compensation set forth in the Trust Agreement shall survive and remain valid and binding notwithstanding the maturity and payment of the Bonds, or the resignation or removal of the Trustee.

The Trustee shall have no responsibility for or liability in connection with assuring that all of the procedures or conditions to closing set forth in the contract of purchase for the sale of the Bonds, that all documents required to be delivered on the closing date to the parties are actually delivered, except its own responsibility to receive or deliver the proceeds of the sale, deliver the Bonds and other certificates expressly required to be delivered by it and its counsel.

The Trustee shall not be responsible for determining or investigating whether any Local Obligation purchased pursuant to the Trust Agreement is a Local Obligation, and the Trustee may conclusively rely on the Authority's determination and direction in this regard; provided, that the Trustee shall not acquire Local Obligations other than pursuant to the provisions of the Trust Agreement. The Trustee shall be entitled to rely on the covenants, representations and warranties of each obligor on any Local Obligation and in the documents and certificates delivered in connection therewith and each Written Order.

**Liability of Trustee.** The recitals of facts contained in the Trust Agreement and in the Bonds shall be taken as statements of the Authority or the City, and the Trustee does not assume any responsibility for the correctness of the same, and does not make any representations as to the validity or sufficiency of the Trust Agreement or of the Bonds, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Trust Agreement or in the Bonds assigned to or imposed upon it; provided, that the Trustee shall be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties under the Trust Agreement except for its own negligence or willful misconduct. The Trustee (in its individual or any other capacity) may become the Owner of Bonds with the same rights it would have if it were not Trustee under the Trust Agreement, and, to the extent permitted by law, may act as depository for and permit any of its officers, directors and employees to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Trust Agreement. Whether or not therein expressly so provided, every provision of the Trust Agreement or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of the Trust Agreement.

**Right to Rely on Documents.** The Trustee may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it under the Trust Agreement in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by the Trust Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action under the Trust Agreement, such matter (unless other evidence in respect thereof be specifically prescribed in the Trust Agreement) may be deemed to be conclusively proved and established by an Officer's Certificate, and such Officer's Certificate shall be full warrant to the Trustee for any action taken or suffered or omitted in good faith under the provisions of the Trust Agreement in reliance upon such Officer's Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall be entitled to advice of counsel and other professionals or agents concerning all matters of trust and its duty under the Trust Agreement, but the Trustee shall not be answerable for the acts or omissions of any agent, attorney at law, certified public accountant, or other professional if such agent, attorney at law, certified public accountant or other professional was selected by the Trustee with due care.

**Preservation and Inspection of Documents.** All documents received by the Trustee under the provisions of the Trust Agreement shall be retained in its possession and shall be subject at all reasonable times upon prior notice to the inspection of the Authority, the Owners of at least twenty five per cent (25%) of the aggregate principal

amount of the Outstanding Bonds, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

**Indemnity for Trustee.** Before taking any action or exercising any rights or powers under the Trust Agreement, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses which it may incur and to indemnify it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

#### **EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF BONDS**

**Execution of Instruments; Proof of Ownership.** Any request, direction, consent or other instrument in writing required or permitted under the Trust Agreement to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor by different parties and may be signed or executed by such Owners in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of the Trust Agreement and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted by either of them under such instrument if made in the following manner:

(n) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the Person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(o) The fact of the ownership of Bonds under the Trust Agreement by any Owner and the serial numbers of such Bonds and the date of his ownership of the same shall be proved by the Bond Register.

Nothing contained in the Trust Agreement shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters in the Trust Agreement stated which to it may seem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of such Bond and any Bond or Bonds issued in exchange or substitution therefor or upon the registration of transfer thereof in respect of anything done by the Trustee or the Authority in pursuance of such request or consent.

#### **SUPPLEMENTAL TRUST AGREEMENTS**

**Supplemental Trust Agreements With Consent of Owners.** Any modification or alteration of the Trust Agreement or of the rights and obligations of the Authority or the Owners of the Bonds may be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided, that no such modification or alteration shall be made which will reduce the percentage of aggregate principal amount of Bonds the consent of the Owners of which is required for any such modification or alteration, or permit the creation by the Authority or the City of any lien prior to or on a parity with the lien of the Trust Agreement upon the Trust Estate or which will affect the times, amounts and currency of payment of the principal of or the redemption premiums, if any, on or the interest on the Bonds or affect the rights, duties or obligations of the Trustee without the consent of the party affected thereby.

**Supplemental Trust Agreements Without Consent of Owners.** The Authority may, without the consent of the Owners, enter into a Supplemental Trust Agreement or Supplemental Trust Agreements, which thereafter shall form a part of the Trust Agreement, and for any one or more of the following purposes:

(a) to add to the agreements and covenants of the Authority contained in the Trust Agreement other agreements and covenants thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Authority under the Trust Agreement; provided, that no such agreement, covenant or surrender shall materially adversely affect the rights of any Owner;

- (b) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect or inconsistent provisions contained in the Trust Agreement or in any Supplemental Trust Agreement;
- (c) to make any change which does not materially adversely affect the rights of any Owner;
- (d) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;
- (e) to subject additional collateral or to add other agreements of the Authority;
- (f) to modify the Trust Agreement or the Bonds to permit qualification of the Trust Agreement under the Trust Indenture Act of 1939, as amended, or any similar statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States of America;
- (g) to make any amendments or supplements necessary or appropriate to preserve or protect the exclusion from gross income for federal income tax purposes under the Code of the interest on the Bonds or the exemption of such interest from State personal income taxes; or
- (h) to evidence the succession of a successor Trustee.

The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment of the Trust Agreement any particular Bond would be affected by any amendment of the Trust Agreement, and any such determination shall be binding and conclusive on the Authority, the City and all Owners of Bonds. For all purposes of this section, the Trustee shall be entitled to rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel, in form and substance satisfactory to it, with respect to the extent, if any, to which any action affects the rights under the Trust Agreement of any Owner.

**Trustee Authorized to Enter Into Supplemental Trust Agreements.** The Trustee is authorized to enter into any Supplemental Trust Agreement with the Authority authorized or permitted by the terms of the Trust Agreement, and to make further agreements and stipulations which may be therein contained, and for all purposes of this section the Trustee shall be entitled to rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel, in form and substance satisfactory to it, to the effect that such Supplemental Trust Agreement is authorized or permitted by the provisions of the Trust Agreement.

## **DEFEASANCE**

**Defeasance.** If and when the Bonds secured under the Trust Agreement shall become due and payable in accordance with their terms or through redemption proceedings as provided in the Trust Agreement, or otherwise, and the whole amount of the principal and the redemption premiums, if any, and the interest so due and payable upon all of the Bonds shall be paid, or provision shall have been made for the payment of the same, together with all other sums payable under the Trust Agreement by the Authority, including all fees and expenses of the Trustee, then and in that case, the Trust Agreement and the lien created by the Trust Agreement shall be completely discharged and satisfied and the Authority shall be released from the respective agreements, conditions, covenants and terms of the Authority contained in the Trust Agreement, and the Trustee shall assign and transfer all property (in excess of the amounts required for the foregoing) then held by the Trustee free and clear of any encumbrances as provided in the Trust Agreement as summarized below under the caption "Effect of Defeasance of Bonds" and shall execute such documents as may be reasonably required by the Authority in this regard.

Notwithstanding the satisfaction and discharge of the Trust Agreement, those provisions of the Trust Agreement relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentation of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners, and the Trustee shall, subject to the Trust Agreement,

continue to be obligated to hold in trust any money or investments then held by the Trustee for the payment of the principal of and redemption premiums, if any, on and interest on the Bonds, to pay to the Owners of Bonds the funds so held by the Trustee as and when such payments become due, and those provisions of the Trust Agreement contained in the Trust Agreement as summarized in this Appendix B under the caption "THE TRUSTEE - Compensation and Indemnification" and in the Trust Agreement as summarized in this Appendix B under the caption "COVENANTS OF THE AUTHORITY - Tax Covenants" relating to the tax covenants of the Authority shall remain in effect and shall be binding upon the Trustee, the Authority.

**Bonds Deemed To Have Been Paid.** If money shall have been set aside and held by the Trustee for the payment or redemption of any Bonds and the interest installments therefor at the maturity or redemption date thereof, such Bonds shall be deemed to be paid within the meaning and with the effect provided in the Trust Agreement as summarized above under the caption "Defeasance." Any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the Trust Agreement as summarized above under the caption "Defeasance." if (a) in case any Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to mail notice of redemption of such Bonds on such redemption date, such notice to be given in accordance with the provisions of the Trust Agreement as summarized in the forepart of this Official Statement under the caption "THE BONDS – Redemption," (b) there shall have been deposited with the Trustee in escrow either money in an amount which (as stated in a Written Order) shall be sufficient, or noncallable Defeasance Obligations the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the money, if any, deposited with or held by the Trustee at the same time, shall be sufficient to pay when due the principal of and the redemption premiums, if any, and the interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) in the event any of such Bonds are not to be redeemed within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, as soon as practicable in the same manner as a notice of redemption is mailed pursuant to the Trust Agreement as summarized in the forepart of this Official Statement under the caption "THE BONDS – Redemption," a notice to the Owners of such Bonds that the deposit required by paragraph (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating the maturity dates or redemption dates upon which money is to be available for the payment of the principal of and redemption premiums, if any, on and interest on such Bonds, (d) a report of an independent firm of nationally recognized certified public accountants ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity date ("Verification"), (e) an Escrow Deposit Agreement, and (f) an Opinion of Bond Counsel to the effect that the Bonds are no longer "Outstanding" under the Trust Agreement. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Authority and the Trustee.

Neither the securities nor money deposited with the Trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and redemption premiums, if any, on and interest on such Bonds; provided, that any cash received from such principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable and at the direction of the Authority, be reinvested in Defeasance Obligations maturing at times and in amounts, together with the other money and payments with respect to Defeasance Obligations then held by the Trustee pursuant to this section, sufficient to pay when due the principal of and redemption premiums, if any, and interest to become due on such Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall, upon receipt by the Trustee of a Written Order so directing, be paid over to the Authority as received by the Trustee free and clear of any trust, lien or pledge.

**Money Held for Particular Bonds.** Except as otherwise provided in the Trust Agreement including as summarized above under the caption "Bonds Deemed To Have Been Paid," the amounts held by the Trustee for the payment of the principal or the redemption premiums, if any, or the interest due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it solely for the Owners of the Bonds entitled thereto.

**Effect of Defeasance of Bonds.** Notwithstanding any other provision of the Trust Agreement, in the event that the Bonds are defeased and the obligations under the Trust Agreement are discharged pursuant to the Trust

Agreement, the Trustee shall transfer all property and moneys held by the Trustee (including, without limitation, the Local Obligations), as follows: (i) if any Bonds remain outstanding, to the Trustee to be applied as provided in the Trust Agreement; or (ii) if no Bonds remain outstanding, to or upon the order of the Authority.

#### MISCELLANEOUS

**Dissolution of Authority.** In the event of the dissolution of the Authority, all the agreements, conditions, covenants and terms contained in the Trust Agreement by or on behalf of, or for the benefit of, the Authority shall bind or inure to the benefit of the successors of the Authority from time to time and any officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Authority shall be transferred.

**Parties Interested in the Trust Agreement.** Except as otherwise specifically provided in the Trust Agreement, nothing contained in the Trust Agreement, expressed or implied, is intended or shall be construed to confer upon any Person other than the Authority, the Trustee, or the Owners of the Bonds any right, remedy or claim under or by reason of the Trust Agreement, the Trust Agreement being intended to be for the sole and exclusive benefit of the Authority and the Trustee, and the Owners of the Bonds.

**Holidays.** If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Trust Agreement, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in the Trust Agreement, and no interest shall accrue for the period from and after such nominal date.

**Limitation of Liability.** The Authority shall not be obligated to make any payments required under the Trust Agreement or under any Bond, or be deemed to incur any liability under the Trust Agreement or by reason of the Trust Agreement or arising out of any of the transactions contemplated by the Trust Agreement, payable from any funds or assets other than the Trust Estate as provided in the Trust Agreement.

**Unclaimed Money.** Anything contained in the Trust Agreement to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on, or principal or redemption premiums, if any, of any Bond which remains unclaimed for two (2) years after the date when such amounts have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date such amounts have become payable, shall be paid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Authority for the payment of such amounts; provided, that before being required to make any such payment to the Authority, the Trustee shall, at the expense of the Authority, give notice by first class mail to all Owners that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Authority.

**Governing Law.** The Trust Agreement shall be governed as to validity, construction and performance by the laws of the State.



## APPENDIX C

### THE BOOK-ENTRY SYSTEM

*The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payment of the principal or redemption price of, or interest on, the Bonds to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds, and other Bonds-related transactions by and between DTC, Participants and Beneficial Owners, is based on information furnished by DTC which the Authority and the City each believes to be reliable, but neither the Authority or the City takes no responsibility for the completeness or accuracy thereof.*

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). The information on such website is not incorporated herein by such reference or otherwise.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Authority or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

## APPENDIX D

### FORM OF BOND COUNSEL OPINION

*Upon delivery of the Bonds, Orrick, Herrington & Sutcliffe, LLP, Bond Counsel to the Agency, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:*

[Delivery Date]

Stockton Public Financing Authority  
Stockton, California

Stockton Public Financing Authority  
Limited Obligation Revenue Bonds  
(Mosher Reassessment District 2014-1), Series 2014  
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Stockton Public Financing Authority (the “Issuer”) in connection with the issuance of \$\_\_\_\_\_ aggregate principal amount of its Limited Obligation Revenue Bonds (Mosher Reassessment District 2014-1), Series 2014 (the “Bonds”), issued pursuant to the provisions of a trust agreement, dated as of August 1, 2014 (the “Trust Agreement”), between the Issuer and Wells Fargo Bank, National Association, as trustee (the “Trustee”) providing for the issuance, sale and delivery of the Bonds approved by a resolution of the Issuer adopted on July 29, 2014. The Bonds are issued for the purpose of providing funds for the purchase of certain limited obligation improvement bonds (the “Local Obligations”) being issued by the City of Stockton (the “City”), to fund a reserve fund for the Bonds, and to pay costs of issuance of the Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

In such connection, we have reviewed the Trust Agreement, the Tax Certificate, certifications of the Issuer, the Trustee, the City and others, an opinion of counsel to the Trustee, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinion, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Trust Agreement, and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions,

omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

We call attention to the fact that the rights and obligations under the Bonds, the Trust Agreement, and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against joint powers authorities in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding limited obligations of the Issuer.
2. The Trust Agreement has been duly authorized, executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Trust Agreement creates a valid pledge, to secure the payment of the principal of and redemption premium, if any, and interest on the Bonds, of the Revenues and any other amounts held by the Trustee in any fund or account established pursuant to the Trust Agreement (other than the Rebate Fund) and the Local Obligations, subject to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.
3. The Bonds are not a lien or charge upon the funds or property of the Issuer except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California, and said State is not liable for the payment thereof.
4. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences relating to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** (this “Disclosure Agreement”), dated as of August 1, 2014, is by and among the STOCKTON PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "Authority"), the CITY OF STOCKTON, a charter city and municipal corporation duly organized and existing under and by virtue of its charter and the Constitution and laws of the State of California (the “City”), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee"), in connection with the issuance of the Authority’s Limited Obligation Revenue Bonds (Mosher Reassessment District 2014-1), Series 2014 (the “Bonds”) pursuant to a Trust Agreement, dated as of August 1, 2014, between the Authority and the Trustee (the "Trust Agreement"),

#### WITNESSETH:

**WHEREAS**, the Bonds are being issued by the Authority to assist the City in the refinancing of certain improvements of benefit to property within Mosher Assessment District 2003-02 which was previously established by the City;

**WHEREAS**, the City previously issued its City of Stockton Limited Obligation Improvement Bonds Mosher Assessment District 2003-02 (the “Prior Bonds”) to provide the City with money to finance the construction and acquisition of certain public improvements;

**WHEREAS**, the City has formed its City of Stockton, Mosher Reassessment District No. 2014-1 (the “Reassessment District”) and concurrently with the issuance of the Bonds, the City is issuing a series of reassessment bonds designated as the “City of Stockton Limited Obligation Improvement Bonds, Mosher Reassessment District No. 2014-1” (the “Local Obligations”) the proceeds of which will be used to refund a the Prior Bonds.;

**WHEREAS**, the Local Obligations are secured by liens of unpaid reassessments (the “Reassessments”) levied on property in the Reassessment District, and payments under the Local Obligations are calculated to be sufficient to permit the Authority to pay the principal of, premium, if any, and interest on the Bonds when due.;

**WHEREAS**, the proceeds of the Bonds are being used by the Authority to purchase the Local Obligations; and

**WHEREAS**, this Disclosure Agreement is being executed and delivered by the Authority, the City and the Trustee for the benefit of the holders and beneficial owners of the Bonds and in order to assist the underwriters of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

**Section 1. Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Agreement have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Trust Agreement. The

Authority and the City are collectively referred to herein as the "Obligated Party," however either may delegate to the other the sole responsibility as the Obligated Party hereunder.

**“Annual Report”** means any Annual Report provided by the Reassessment District pursuant to, and as described in, Sections 2 and 3 hereof.

**“Annual Report Date”** means the date in each year that is the first day of the month following the eighth month after the end of the Reassessment District’s fiscal year, which date, as of the date of this Disclosure Agreement, is March 1.

**“Bonds”** means the Stockton Public Financing Authority Limited Obligation Revenue Bonds (Mosher Reassessment District 2014-1), Series 2014 issued pursuant to the Trust Agreement.

**“Disclosure Representative”** means the City Manager or Chief Financial Officer of the City or his or her designee, or such other officer or employee of the City as the City shall designate in writing to the Trustee from time to time.

**“Dissemination Agent”** means Willdan Financial Services, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Reassessment District and which has filed with the Trustee a written acceptance of such designation.

**“Listed Events”** means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

**“MSRB”** means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

**“Official Statement”** means the Official Statement, dated August \_\_, 2014, relating to the Bonds.

**“Participating Underwriter”** means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

**“Rule”** means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**“Trustee”** means Wells Fargo Bank, National Association, as Trustee under the Trust Agreement, or any successor thereto as Trustee thereunder, substituted in its place as provided therein.

**Section 2. Provision of Annual Reports.** (a) The Obligated Party shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report which is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the 2013-14 Fiscal Year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the City, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City’s fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB. The

Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the Obligated Party shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Obligated Party and the Dissemination Agent to determine if the Obligated Party is in compliance with the first sentence of this subsection (b).

(c) If the Trustee is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) of this Section, the Trustee shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the Authority and the City and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

**Section 3. Content of Annual Reports.** The Annual Report shall contain or include by reference the following:

(a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements in a format similar to that used for the City's audited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the City for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) A statement of the amounts on deposit in each fund or account established under the Trust Agreement (except the Rebate Fund and the Expense Fund);

(ii) A table showing the most recent County assessed valuation and reassessment balance for parcels within the Reassessment District, similar to the "Summary of Assessed Values and Value to Lien Ratio" table presented in the Official Statement;

(iii) Information concerning any delinquencies in the payment of Reassessment installments securing the Local Obligations including (a) the total amount of delinquencies in the Reassessment District, both as a dollar amount and as a percentage of the total levy for the Fiscal Year and (b) with respect to any delinquency of

an owner which holds land subject to more than 5% of the Reassessment liens securing the Local Obligations, the following information:

- (1) Assessor's Parcel Number;
  - (2) Record owner of the parcel;
  - (3) Amount of delinquency, including separate statement of amounts representing principal, interest, administrative expenses of levy, penalties and interest on delinquency;
  - (4) Due date of first delinquent installment; and
  - (5) Status of foreclosure action, if any; and
- (iv) Assessed value of taxable property within the Reassessment District and the Reassessment District's total property tax levy, in each case for the current fiscal year;
- (v) Outstanding borrowings and long-term obligations, including:
- (1) general obligation bonds, certificates of participation, capital leases and operating leases payable from or secured by the Reassessments;
  - (2) a description of any obligations of the type referred to in (1) above that have been issued, entered into or incurred since the beginning of the City's current fiscal year; and
  - (3) a description of any obligations of the type referred to in (1) above that the Reassessment District reasonably expected to be issued, entered into or incurred within the 60 day period following the date of filing of the Annual Report.
- (vi) Any payment default of the Local Obligations; and
- (vii) A table showing the most recent County assessed valuation and Reassessment balance for parcels within the Reassessment District, similar to the "Summary of Assessed Values and Value to Lien Ratio" table presented in the Official Statement;
- (viii) Information concerning any delinquencies in the payment of Reassessment installments securing the Local Obligations including (a) the total amount of delinquencies in the Reassessment District, both as a dollar amount and as a percentage of the total levy for the Fiscal Year and (b) with respect to any delinquency of an owner which holds land subject to more than 5% of the Reassessment liens securing the Local Obligations, the following information:

- (1) Assessor's Parcel Number;
- (2) Record owner of the parcel;



(3) Amount of delinquency, including separate statement of amounts representing principal, interest, administrative expenses of levy, penalties and interest on delinquency;

(4) Due date of first delinquent installment; and

(5) Status of foreclosure action, if any; and

(ix) Assessed value of taxable property within the Reassessment District and the Reassessment District's total property tax levy, in each case for the current fiscal year;

(x) Outstanding borrowings and long-term obligations, including:

(1) general obligation bonds, certificates of participation, capital leases and operating leases payable from or secured by Reassessments;

(2) a description of any obligations of the type referred to in (1) above that have been issued, entered into or incurred since the beginning of the City's current fiscal year; and

(3) a description of any obligations of the type referred to in (1) above that the Reassessment District reasonably expected to be issued, entered into or incurred within the 60 day period following the date of filing of the Annual Report; and

(xi) Any payment default of the Local Obligations;

(xii) A table showing the most recent County assessed valuation, similar to the "Summary of Assessed Values and Value to Lien Ratio" table presented in the Official Statement; and

(c) In addition to any of the information expressly required to be provided under subsections (a) and (b) of this Section, the Obligated Party shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items described above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

**Section 4. Reporting of Significant Events.** (a) Pursuant to the provisions of this Section, the Obligated Party shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties.

- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (iv) Substitution of credit or liquidity providers, or their failure to perform.
- (v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).
- (vi) Tender offers.
- (vii) Defeasances.
- (viii) Rating changes.
- (ix) Bankruptcy, insolvency, receivership or similar event of the obligated person.

For purposes of the event identified in paragraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section, the Obligated Party shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

- (i) Unless described in paragraph (v) of subsection (a) of this Section, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.
- (ii) Modifications to rights of holders of the Bonds.
- (iii) Optional, unscheduled or contingent Bonds calls.
- (iv) Release, substitution, or sale of property securing repayment of the Bonds.
- (v) Non-payment related defaults.
- (vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
- (vii) Appointment of a successor or additional Trustee or the change of name of a Trustee.

(c) The Trustee shall, within one business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and inform such person of the event.

(d) Whenever the Obligated Party obtains knowledge of the occurrence of a Listed Event described in subsection (b) of this Section, the Obligated Party shall determine if such event would be material under applicable Federal securities law. The Trustee shall have no responsibility to determine the materiality of any of the Listed Events.

(e) Whenever the Obligated Party obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that the occurrence of a Listed Event described in subsection (b) of this Section is material under subsection (d) of this Section, the Obligated Party shall, or shall cause the Dissemination Agent to, file a notice of the occurrence of such Listed Event with the MSRB within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notice of Listed Events described in paragraph (iii) of subsection (a) of this Section and in paragraph (vii) of subsection (a) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Trust Agreement.

**Section 5. Format for Filings with MSRB.** Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

**Section 6. Termination of Reporting Obligation.** The obligations of the Obligated Party, the Trustee and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Bonds. If such termination occurs prior to the final principal payment date of the Bonds, the Obligated Party shall give notice of such termination in a filing with the MSRB.

**Section 7. Dissemination Agent.** The Obligated Party may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent (if other than the Trustee), with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The Dissemination Agent, if other than the Trustee, may resign by providing thirty days written notice to the Authority and the City.

**Section 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Authority, the City and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Authority or the City so long as such amendment does not adversely affect the rights or obligations of the Trustee hereunder), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsections (a) or (b) of Section 4 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Obligated Party shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Obligated Party. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 9. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Obligated Party chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Obligated Party shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

**Section 10. Default.** In the event of a failure of the Authority, the City, the Trustee or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate amount of principal evidenced by Outstanding Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee), or any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority, the City, the Trustee or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority, the City, the Trustee or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

**Section 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent.** Article VIII of the Trust Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Trust Agreement. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee under the Trust Agreement. Neither the Trustee nor the Dissemination Agent shall be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall

have only such duties as are specifically set forth in this Disclosure Agreement. To the extent permitted by law, the City shall indemnify and save the Dissemination Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or its willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**Section 12. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Authority, the City, the Trustee, the Dissemination Agent, the Participating Underwriter and the holder and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 13. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed this Disclosure Agreement as of the date first above written.

**STOCKTON PUBLIC FINANCING  
AUTHORITY**

By: \_\_\_\_\_  
Chief Financial Officer

**CITY OF STOCKTON**

By: \_\_\_\_\_  
Chief Financial Officer

**WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Trustee**

By: \_\_\_\_\_  
Authorized Officer

**ACCEPTED AND AGREED TO:**

**WILLDAN FINANCIAL SERVICES, as  
Dissemination Agent**

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Stockton Public Financing Authority  
Name of Issue: Stockton Public Financing Authority Limited Obligation Revenue Bonds  
(Mosher Reassessment District 2014-1), Series 2014  
Obligated Party: City of Stockton  
Date of Issuance: August \_\_, 2014

NOTICE IS HEREBY GIVEN that the City of Stockton (the "City") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of August 1, 2014, by and among the Stockton Public Financing Authority, the City and Wells Fargo Bank, National Association, as Trustee. [The City anticipates that the Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee, on behalf of the City of Stockton, California

cc: Stockton Public Financing Authority  
City of Stockton

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**APPENDIX F**  
**REASSESSMENT REPORT**

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# City of Stockton

## Reassessment District No. 2003-02 Mosher Series 2014

REASSESSMENT REPORT

April 2014

27368 Via Industria  
Suite 110  
Temecula, CA 92590  
T 951.587.3500 | 800.755.6864  
F 951.587.3510

[www.willdan.com/financial](http://www.willdan.com/financial)



**CITY OF STOCKTON**  
**Reassessment District No. 2003-02**

**REASSESSMENT REPORT**  
Division 11.5, Streets & Highways Code of the State of California

<b><u>ITEM</u></b>	<b><u>PAGE NO</u></b>
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**CITY OF STOCKTON**  
**Reassessment District No. 2003-02**

**Reassessment**

**WHEREAS**, on June 25, 2013, the City Council of the City of Stockton, California, pursuant to the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds (the "Act"), adopted its Resolution Declaring Its Intention to Levy Reassessments and to Issue Refunding Bonds upon the security thereof, and providing for the issuance of City of Stockton Public Financing Authority Reassessment District No. 2003-02, Mosher Series 2014 (the "Bonds"); prescribing the date and form of said Bonds and prescribing the redemption provisions therefor; authorizing the execution of said Bonds; providing for the collection of Reassessments to pay the principal of and interest on said Bonds; approving the sale of said Bonds (which establishes the maturities of and interest rates on said Bonds); and

**WHEREAS**, said Resolution directed the undersigned to make and file a report presenting a schedule setting forth the unpaid principal and interest of the prior bonds to be refunded and the total amounts thereof, the total estimated principal amount of the reassessment and of the refunding bonds and the maximum interest thereon, together with an estimate of the cost of the reassessment and of issuing the refunding bonds, the auditor's record showing the schedule of principal installments and interest on all unpaid original assessments and the total amounts thereof, the estimated amount of each reassessment, identified by reassessment number corresponding to the reassessment number of the reassessment diagram, together with a proposed auditor's record for the reassessment, and reassessment diagram showing the assessment district and the boundaries and dimensions of the subdivisions of land within the district. Each subdivision, including each separate condominium interest as defined in Section 783 of the Civil Code, shall be given a separate number upon the diagram to which Resolution reference is hereby made for further particulars;

**NOW THEREFORE**, the undersigned, by virtue of the power vested in me under the Act and the order of the Council of said City, hereby makes the following assessment to cover the portion of the estimated cost of said acquisitions, work and improvements and the costs and expenses incidental thereto to be paid by the assessment district.

The amount to be paid for said refunding, together with the expenses incidental thereto, and the reassessment balance are set forth herein.

And I do hereby reassess and apportion said portion of said total amount of the cost and expenses of said reassessment and refunding upon the several lots, pieces or parcels or portions of lots or subdivisions of land liable therefore and benefited thereby, and hereinafter numbered to correspond with the numbers upon the

attached diagram, upon each, severally and respectively, in accordance with the benefits to be received by such subdivisions, respectively, from the acquisitions and improvements, and more particularly set forth in the list hereto attached and by reference made a part hereof.

**CITY OF STOCKTON**  
**Reassessment District No. 2003-02**

As required by the Act, a diagram is hereto attached showing the reassessment district and also the boundaries and dimensions of the respective subdivisions of land within said reassessment district as the same existed at the time of the passage of the Resolution of Intention, each of which subdivisions having been given a separate number upon said diagram.

Said reassessment is made upon the several subdivisions of land within said assessment district in proportion to the scheduled unpaid principal amount of the original assessment recorded as a lien against each said subdivision of land. Delinquent assessment installments are not included. The diagram and reassessment numbers appearing herein are the diagram numbers appearing on said diagram, to which reference is hereby made for a more particular description of said property.

Each subdivision of land reassessed is described in the reassessment list by reference to its parcel number as shown on the Assessor's Maps of the County of San Joaquin for the fiscal year 2014/15 and includes all of such parcels. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

Notice is hereby given that serial refunding bonds to represent unpaid reassessments and bearing interest at the rate of not to exceed twelve percent (12%) per annum, or such higher rate of interest as may be authorized by applicable law at the time of sale of such bonds, will be issued thereunder in the manner provided by Chapter 3 of Division 11.5 of the Streets and Highways Code, the Refunding Act of 1984 for 1915 Improvement Act Bonds, and the last installment of such refunding bonds shall mature on September 2, 2033.

Dated as of \_\_\_\_\_, 2014

Willdan Financial Services

By \_\_\_\_\_  
Mark Risco  
President and CEO

**CITY OF STOCKTON  
Reassessment District No. 2003-02**

**Cost Estimate**

In addition to the estimated costs of the refunding shown on the following pages, the annual levy of the reassessments will include amounts permitted pursuant to Sections 8682.1 and 8682 of the Improvement Bond Act of 1915, as set forth in Division 10 (commencing with Section 8500) of the California Streets and Highways Code, for payment of the City's expenses associated with the collection of the reassessments and payment of the annual costs associated with bond registration and other duties of the fiscal agent with respect to the refunding bonds.



**CITY OF STOCKTON  
Reassessment District No. 2003-02**

**Sources and Uses of Funds**

Sources:

Bond Proceeds:

Par Amount	\$14,160,000.00
Original Issue Discount	<u>-752,320.80</u>
	\$13,407,679.20

Other Sources of Funds:

Net May 2014 Transfer (Debt Srcv Fund)	\$665,402.24
City Holdings (Debt Srcv Fund)	496,569.21
City Holdings (Project Fund)	1,358,031.64
Trustee Holdings (DSRF)	<u>1,374,337.22</u>
	\$3,894,340.31

\$17,302,019.51

Uses:

Refunding Escrow

Deposits:

Cash Deposit	\$0.78
SLGS Purchases	<u>15,695,945.00</u>
	\$15,695,945.78

Other Fund

Deposits:

Debt Service Reserve Fund	\$1,147,300.00
---------------------------	----------------

Delivery Date Expenses:

Cost of Issuance	\$244,500.00
Underwriter's Discount	<u>212,400.00</u>
	\$456,900.00

Other Uses of  
Funds:

Additional Proceeds	\$1,873.73
---------------------	------------

\$17,302,019.51

**CITY OF STOCKTON**  
**Reassessment District No. 2003-02**

**District Debt Service Schedules**

**City of Stockton  
Reassessment District No. 2003-02  
Refunded Bonds' Debt Service Schedule**

Total Interest	\$11,408,662.50
Total Principal	15,225,000.00
<b>Total Debt Service</b>	<b>\$26,633,662.50</b>

Payment Due	Principal Due	Interest Rate	Interest Due	Semi-Annual Payment	Total Payment
September 2, 2014	\$415,000.00	5.500%	\$471,242.50	\$886,242.50	\$886,242.50
March 2, 2015			459,830.00	459,830.00	
September 2, 2015	435,000.00	5.600%	459,830.00	894,830.00	1,354,660.00
March 2, 2016			447,650.00	447,650.00	
September 2, 2016	460,000.00	5.700%	447,650.00	907,650.00	1,355,300.00
March 2, 2017			434,540.00	434,540.00	
September 2, 2017	485,000.00	5.800%	434,540.00	919,540.00	1,354,080.00
March 2, 2018			420,475.00	420,475.00	
September 2, 2018	515,000.00	5.900%	420,475.00	935,475.00	1,355,950.00
March 2, 2019			405,282.50	405,282.50	
September 2, 2019	545,000.00	6.200%	405,282.50	950,282.50	1,355,565.00
March 2, 2020			388,387.50	388,387.50	
September 2, 2020	580,000.00	6.200%	388,387.50	968,387.50	1,356,775.00
March 2, 2021			370,407.50	370,407.50	
September 2, 2021	615,000.00	6.200%	370,407.50	985,407.50	1,355,815.00
March 2, 2022			351,342.50	351,342.50	
September 2, 2022	650,000.00	6.200%	351,342.50	1,001,342.50	1,352,685.00
March 2, 2023			331,192.50	331,192.50	
September 2, 2023	690,000.00	6.200%	331,192.50	1,021,192.50	1,352,385.00
March 2, 2024			309,802.50	309,802.50	
September 2, 2024	735,000.00	6.300%	309,802.50	1,044,802.50	1,354,605.00
March 2, 2025			286,650.00	286,650.00	
September 2, 2025	780,000.00	6.300%	286,650.00	1,066,650.00	1,353,300.00
March 2, 2026			262,080.00	262,080.00	
September 2, 2026	830,000.00	6.300%	262,080.00	1,092,080.00	1,354,160.00
March 2, 2027			235,935.00	235,935.00	
September 2, 2027	885,000.00	6.300%	235,935.00	1,120,935.00	1,356,870.00
March 2, 2028			208,057.50	208,057.50	
September 2, 2028	940,000.00	6.300%	208,057.50	1,148,057.50	1,356,115.00
March 2, 2029			178,447.50	178,447.50	
September 2, 2029	1,000,000.00	6.300%	178,447.50	1,178,447.50	1,356,895.00
March 2, 2030			146,947.50	146,947.50	
September 2, 2030	1,060,000.00	6.300%	146,947.50	1,206,947.50	1,353,895.00
March 2, 2031			113,557.50	113,557.50	
September 2, 2031	1,130,000.00	6.300%	113,557.50	1,243,557.50	1,357,115.00
March 2, 2032			77,962.50	77,962.50	
September 2, 2032	1,200,000.00	6.300%	77,962.50	1,277,962.50	1,355,925.00
March 2, 2033			40,162.50	40,162.50	
September 2, 2033	1,275,000.00	6.300%	40,162.50	1,315,162.50	1,355,325.00
<b>Totals</b>	<b>\$15,225,000.00</b>		<b>\$11,408,662.50</b>	<b>\$26,633,662.50</b>	<b>\$26,633,662.50</b>

**City of Stockton  
Reassessment District No. 2003-02  
Refunding Bonds' Debt Service Schedule**

**Dated Date:** June 1, 2014  
**Issue Date:** June 1, 2014  
**First Maturity:** September 2, 2014  
**Last Maturity:** September 2, 2033  
**First Coupon:** September 2, 2014

Total Interest	\$7,747,028.33
Total Principal	14,160,000.00
<b>Total Debt Service</b>	<b>\$21,907,028.33</b>

Payment Due	Principal Due	Interest Rate	Interest Due	Semi-Annual Payment	Total Annual Payment
September 2, 2014	\$50,000.00	4.750%	\$125,178.33	\$175,178.33	\$175,178.33
March 2, 2015			335,112.50	335,112.50	
September 2, 2015	475,000.00	4.750%	335,112.50	810,112.50	1,145,225.00
March 2, 2016			323,831.25	323,831.25	
September 2, 2016	495,000.00	4.750%	323,831.25	818,831.25	1,142,662.50
March 2, 2017			312,075.00	312,075.00	
September 2, 2017	520,000.00	4.750%	312,075.00	832,075.00	1,144,150.00
March 2, 2018			299,725.00	299,725.00	
September 2, 2018	545,000.00	4.750%	299,725.00	844,725.00	1,144,450.00
March 2, 2019			286,781.25	286,781.25	
September 2, 2019	570,000.00	4.750%	286,781.25	856,781.25	1,143,562.50
March 2, 2020			273,243.75	273,243.75	
September 2, 2020	600,000.00	4.750%	273,243.75	873,243.75	1,146,487.50
March 2, 2021			258,993.75	258,993.75	
September 2, 2021	625,000.00	4.750%	258,993.75	883,993.75	1,142,987.50
March 2, 2022			244,150.00	244,150.00	
September 2, 2022	655,000.00	4.750%	244,150.00	899,150.00	1,143,300.00
March 2, 2023			228,593.75	228,593.75	
September 2, 2023	685,000.00	4.750%	228,593.75	913,593.75	1,142,187.50
March 2, 2024			212,325.00	212,325.00	
September 2, 2024	720,000.00	4.750%	212,325.00	932,325.00	1,144,650.00
March 2, 2025			195,225.00	195,225.00	
September 2, 2025	750,000.00	4.750%	195,225.00	945,225.00	1,140,450.00
March 2, 2026			177,412.50	177,412.50	
September 2, 2026	790,000.00	4.750%	177,412.50	967,412.50	1,144,825.00
March 2, 2027			158,650.00	158,650.00	
September 2, 2027	830,000.00	4.750%	158,650.00	988,650.00	1,147,300.00
March 2, 2028			138,937.50	138,937.50	
September 2, 2028	865,000.00	4.750%	138,937.50	1,003,937.50	1,142,875.00
March 2, 2029			118,393.75	118,393.75	
September 2, 2029	910,000.00	4.750%	118,393.75	1,028,393.75	1,146,787.50
March 2, 2030			96,781.25	96,781.25	
September 2, 2030	950,000.00	4.750%	96,781.25	1,046,781.25	1,143,562.50
March 2, 2031			74,218.75	74,218.75	
September 2, 2031	995,000.00	4.750%	74,218.75	1,069,218.75	1,143,437.50
March 2, 2032			50,587.50	50,587.50	
September 2, 2032	1,040,000.00	4.750%	50,587.50	1,090,587.50	1,141,175.00
March 2, 2033			25,887.50	25,887.50	
September 2, 2033	1,090,000.00	4.750%	25,887.50	1,115,887.50	1,141,775.00
<b>Totals</b>	<b>\$14,160,000.00</b>		<b>\$7,747,028.33</b>	<b>\$21,907,028.33</b>	<b>\$21,907,028.33</b>

**CITY OF STOCKTON  
Reassessment District No. 2003-02**

**Reassessment Roll**

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
122-050-01-0000	1	\$7,420.41	
122-050-02-0000	2	7,420.41	
122-050-03-0000	3	7,420.41	
122-050-04-0000	4	7,420.41	
122-050-05-0000	5	7,420.41	
122-050-06-0000	6	7,420.41	
122-050-07-0000	7	7,420.41	
122-050-08-0000	8	7,420.41	
122-050-09-0000	9	7,420.41	
122-050-10-0000	10	7,420.41	
122-050-11-0000	11	7,420.41	
122-050-12-0000	12	7,420.41	
122-050-13-0000	13	7,420.41	
122-050-14-0000	14	7,420.41	
122-050-15-0000	15	7,420.41	
122-050-16-0000	16	7,420.41	
122-050-17-0000	17	7,420.41	
122-050-18-0000	18	7,420.41	
122-050-19-0000	19	7,420.41	
122-050-20-0000	20	7,420.41	
122-050-22-0000	21	7,420.41	
122-050-23-0000	22	7,420.41	
122-050-24-0000	23	7,420.41	
122-050-25-0000	24	7,420.41	
122-050-26-0000	25	7,420.41	
122-050-27-0000	26	7,420.41	
122-050-28-0000	27	7,420.41	
122-050-29-0000	28	7,420.41	
122-050-30-0000	29	7,420.41	
122-050-31-0000	30	7,420.41	
122-050-32-0000	31	7,420.41	
122-050-33-0000	32	7,420.41	
122-050-34-0000	33	7,420.41	
122-050-35-0000	34	7,420.41	
122-050-36-0000	35	7,420.41	
122-050-37-0000	36	7,420.41	
122-050-38-0000	37	7,420.41	
122-050-39-0000	38	7,420.41	
122-050-40-0000	39	7,420.41	
122-050-41-0000	40	7,420.41	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
122-050-42-0000	41	7,420.41	
122-050-43-0000	42	7,420.41	
122-050-44-0000	43	7,420.41	
122-050-45-0000	44	7,420.41	
122-050-46-0000	45	7,420.41	
122-050-47-0000	46	7,420.41	
122-050-48-0000	47	7,420.41	
122-050-49-0000	48	7,420.41	
122-050-50-0000	49	7,420.41	
122-050-51-0000	50	7,420.41	
122-050-52-0000	51	7,420.41	
122-050-53-0000	52	7,420.41	
122-050-54-0000	53	7,420.41	
122-050-55-0000	54	7,420.41	
122-050-56-0000	55	7,420.41	
122-050-57-0000	56	7,420.41	
122-050-58-0000	57	7,420.41	
122-060-01-0000	58	7,420.41	
122-060-02-0000	59	7,420.41	
122-060-03-0000	60	7,420.41	
122-060-04-0000	61	7,420.41	
122-060-05-0000	62	7,420.41	
122-060-06-0000	63	7,420.41	
122-060-07-0000	64	7,420.41	
122-060-08-0000	65	7,420.41	
122-060-09-0000	66	7,420.41	
122-060-10-0000	67	7,420.41	
122-060-11-0000	68	7,420.41	
122-060-12-0000	69	7,420.41	
122-060-13-0000	70	7,420.41	
122-060-14-0000	71	7,420.41	
122-060-15-0000	72	7,420.41	
122-060-16-0000	73	7,420.41	
122-060-17-0000	74	7,420.41	
122-060-18-0000	75	7,420.41	
122-060-19-0000	76	7,420.41	
122-060-20-0000	77	7,420.41	
122-060-21-0000	78	7,420.41	
122-060-22-0000	79	7,420.41	
122-060-23-0000	80	7,420.41	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
122-060-24-0000	81	7,420.41	
122-060-25-0000	82	7,420.41	
122-060-26-0000	83	7,420.41	
122-060-27-0000	84	7,420.41	
122-060-28-0000	85	7,420.41	
122-060-29-0000	86	7,420.41	
122-060-30-0000	87	7,420.41	
122-060-31-0000	88	7,420.41	
122-060-32-0000	89	7,420.41	
122-060-33-0000	90	7,420.41	
122-060-34-0000	91	7,420.41	
122-060-35-0000	92	7,420.41	
122-060-36-0000	93	7,420.41	
122-060-37-0000	94	7,420.41	
122-060-38-0000	95	7,420.41	
122-060-39-0000	96	7,420.41	
122-060-40-0000	97	7,420.41	
122-060-41-0000	98	7,420.41	
122-060-42-0000	99	7,420.41	
122-060-43-0000	100	7,420.41	
122-060-44-0000	101	7,420.41	
122-060-45-0000	102	7,420.41	
122-060-46-0000	103	7,420.41	
122-060-47-0000	104	7,420.41	
122-060-48-0000	105	7,420.41	
122-060-49-0000	106	7,420.41	
122-060-50-0000	107	7,420.41	
122-060-51-0000	108	7,420.41	
122-060-52-0000	109	7,420.41	
122-060-53-0000	110	7,420.41	
122-060-54-0000	111	7,420.41	
122-060-55-0000	112	7,420.41	
122-060-56-0000	113	7,420.41	
122-070-01-0000	114	7,383.86	
122-070-02-0000	115	7,383.86	
122-070-03-0000	116	7,383.86	
122-070-04-0000	117	7,383.86	
122-070-05-0000	118	7,383.86	
122-070-06-0000	119	7,383.86	
122-070-07-0000	120	7,383.86	



**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
122-070-08-0000	121	7,383.86	
122-070-10-0000	122	7,383.86	
122-070-11-0000	123	7,383.86	
122-070-12-0000	124	7,383.86	
122-070-13-0000	125	7,383.86	
122-070-14-0000	126	7,383.86	
122-070-15-0000	127	7,383.86	
122-070-16-0000	128	7,383.86	
122-070-17-0000	129	7,383.86	
122-070-18-0000	130	7,383.86	
122-070-19-0000	131	7,383.86	
122-070-20-0000	132	7,383.86	
122-070-21-0000	133	7,383.86	
122-070-22-0000	134	7,383.86	
122-070-23-0000	135	7,383.86	
122-070-24-0000	136	7,383.86	
122-070-25-0000	137	7,383.86	
122-070-26-0000	138	7,383.86	
122-070-27-0000	139	7,383.86	
122-070-28-0000	140	7,383.86	
122-070-29-0000	141	7,383.86	
122-070-30-0000	142	7,383.86	
122-070-31-0000	143	7,383.86	
122-070-32-0000	144	7,383.86	
122-070-33-0000	145	7,383.86	
122-070-34-0000	146	7,383.86	
122-070-35-0000	147	7,383.86	
122-070-36-0000	148	7,383.86	
122-070-37-0000	149	7,383.86	
122-070-38-0000	150	7,383.86	
122-070-39-0000	151	7,383.86	
122-070-41-0000	152	7,383.86	
122-070-42-0000	153	7,383.86	
122-070-43-0000	154	7,383.86	
122-070-44-0000	155	7,383.86	
122-070-45-0000	156	7,383.86	
122-070-46-0000	157	7,383.86	
122-070-47-0000	158	7,383.86	
122-070-48-0000	159	7,383.86	
122-070-49-0000	160	7,383.86	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
122-070-50-0000	161	7,383.86	
122-070-51-0000	162	7,383.86	
122-070-52-0000	163	7,383.86	
122-070-53-0000	164	7,383.86	
122-070-54-0000	165	7,383.86	
122-070-55-0000	166	7,383.86	
122-070-56-0000	167	7,383.86	
122-070-57-0000	168	7,383.86	
122-070-58-0000	169	7,383.86	
122-070-59-0000	170	7,383.86	
122-070-60-0000	171	7,383.86	
122-070-61-0000	172	7,383.86	
122-070-62-0000	173	7,383.86	
122-070-63-0000	174	7,383.86	
122-070-64-0000	175	7,383.86	
122-070-65-0000	176	7,383.86	
122-070-66-0000	177	7,383.86	
122-070-67-0000	178	7,383.86	
122-070-68-0000	179	7,383.86	
122-070-69-0000	180	7,383.86	
122-070-70-0000	181	7,383.86	
122-070-71-0000	182	7,383.86	
122-070-72-0000	183	7,383.86	
122-070-73-0000	184	7,383.86	
122-070-74-0000	185	7,383.86	
122-070-75-0000	186	7,383.86	
122-070-76-0000	187	7,383.86	
122-070-77-0000	188	7,383.86	
122-070-78-0000	189	7,383.86	
122-070-79-0000	190	7,383.86	
122-070-80-0000	191	7,383.86	
122-080-01-0000	192	6,779.41	
122-080-02-0000	193	6,779.41	
122-080-03-0000	194	6,779.41	
122-080-04-0000	195	6,779.41	
122-080-05-0000	196	6,779.41	
122-080-06-0000	197	6,779.41	
122-080-07-0000	198	6,779.41	
122-080-08-0000	199	6,779.41	
122-080-09-0000	200	6,779.41	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
122-080-10-0000	201	6,779.41	
122-080-11-0000	202	6,779.41	
122-080-12-0000	203	6,779.41	
122-080-13-0000	204	6,779.41	
122-080-14-0000	205	6,779.41	
122-080-15-0000	206	6,779.41	
122-080-16-0000	207	6,779.41	
122-080-17-0000	208	6,779.41	
122-080-18-0000	209	6,779.41	
122-080-19-0000	210	6,779.41	
122-080-20-0000	211	6,779.41	
122-080-21-0000	212	6,779.41	
122-080-22-0000	213	6,779.41	
122-080-23-0000	214	6,779.41	
122-080-24-0000	215	6,779.41	
122-080-25-0000	216	6,779.41	
122-080-26-0000	217	6,779.41	
122-080-27-0000	218	6,779.41	
122-080-28-0000	219	6,779.41	
122-080-29-0000	220	6,779.41	
122-080-30-0000	221	6,779.41	
122-080-31-0000	222	6,779.41	
122-080-32-0000	223	6,779.41	
122-080-33-0000	224	6,779.41	
122-080-34-0000	225	6,779.41	
122-080-35-0000	226	6,779.41	
122-080-36-0000	227	6,779.41	
122-080-37-0000	228	6,779.41	
122-080-38-0000	229	6,779.41	
122-080-39-0000	230	6,779.41	
122-080-40-0000	231	6,779.41	
122-080-41-0000	232	6,779.41	
122-080-42-0000	233	6,779.41	
122-080-43-0000	234	6,779.41	
122-080-44-0000	235	6,779.41	
122-080-45-0000	236	6,779.41	
122-080-46-0000	237	6,779.41	
122-080-47-0000	238	6,779.41	
122-080-48-0000	239	6,779.41	
122-090-01-0000	240	6,779.41	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
122-090-02-0000	241	6,779.41	
122-090-03-0000	242	6,779.41	
122-090-04-0000	243	6,779.41	
122-090-05-0000	244	6,779.41	
122-090-06-0000	245	6,779.41	
122-090-07-0000	246	6,779.41	
122-090-08-0000	247	6,779.41	
122-090-09-0000	248	6,779.41	
122-090-10-0000	249	6,779.41	
122-090-11-0000	250	6,779.41	
122-090-12-0000	251	6,779.41	
122-090-13-0000	252	6,779.41	
122-090-14-0000	253	6,779.41	
122-090-15-0000	254	6,779.41	
122-090-16-0000	255	6,779.41	
122-090-17-0000	256	6,779.41	
122-090-18-0000	257	6,779.41	
122-090-19-0000	258	6,779.41	
122-090-20-0000	259	6,779.41	
122-090-21-0000	260	6,779.41	
122-090-22-0000	261	6,779.41	
122-090-23-0000	262	6,779.41	
122-090-24-0000	263	6,779.41	
122-090-25-0000	264	6,779.41	
122-090-26-0000	265	6,779.41	
122-090-27-0000	266	6,779.41	
122-090-28-0000	267	6,779.41	
122-090-29-0000	268	6,779.41	
122-090-30-0000	269	6,779.41	
122-090-31-0000	270	6,779.41	
122-090-32-0000	271	6,779.41	
122-090-33-0000	272	79,136.45	
122-100-01-0000	273	7,282.15	
122-100-02-0000	274	7,282.15	
122-100-03-0000	275	7,282.15	
122-100-04-0000	276	7,282.15	
122-100-05-0000	277	7,282.15	
122-100-06-0000	278	7,282.15	
122-100-07-0000	279	7,282.15	
122-100-08-0000	280	7,282.15	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
122-100-09-0000	281	7,282.15	
122-100-10-0000	282	7,282.15	
122-100-11-0000	283	7,282.15	
122-100-12-0000	284	7,282.15	
122-100-13-0000	285	7,282.15	
122-100-14-0000	286	7,282.15	
122-100-15-0000	287	7,282.15	
122-100-16-0000	288	7,282.15	
122-100-17-0000	289	7,282.15	
122-100-18-0000	290	7,282.15	
122-100-19-0000	291	7,282.15	
122-100-20-0000	292	7,282.15	
122-100-21-0000	293	7,282.15	
122-100-22-0000	294	7,282.15	
122-100-23-0000	295	7,282.15	
122-100-24-0000	296	7,282.15	
122-100-25-0000	297	7,282.15	
122-100-26-0000	298	7,282.15	
122-100-27-0000	299	7,282.15	
122-100-28-0000	300	7,282.15	
122-100-29-0000	301	7,282.15	
122-100-30-0000	302	7,282.15	
122-100-31-0000	303	7,282.15	
122-100-32-0000	304	7,282.15	
122-100-33-0000	305	7,282.15	
122-100-34-0000	306	7,282.15	
122-100-35-0000	307	7,282.15	
122-100-36-0000	308	7,282.15	
122-100-38-0000	309	7,282.15	
122-100-39-0000	310	7,282.15	
122-100-40-0000	311	7,282.15	
122-100-41-0000	312	7,282.15	
122-100-42-0000	313	7,282.15	
122-100-43-0000	314	7,282.15	
122-100-44-0000	315	7,282.15	
122-100-45-0000	316	7,282.15	
122-100-46-0000	317	7,282.15	
122-100-47-0000	318	7,282.15	
122-100-48-0000	319	7,282.15	
122-100-49-0000	320	7,282.15	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
122-100-50-0000	321	7,282.15	
122-100-51-0000	322	7,282.15	
122-100-52-0000	323	7,282.15	
122-100-53-0000	324	7,282.15	
122-100-54-0000	325	7,282.15	
122-100-55-0000	326	7,282.15	
122-100-56-0000	327	7,282.15	
122-100-57-0000	328	7,282.15	
122-100-58-0000	329	7,282.15	
122-100-59-0000	330	7,282.15	
122-100-60-0000	331	7,282.15	
122-100-61-0000	332	7,282.15	
122-100-62-0000	333	7,282.15	
122-100-63-0000	334	7,282.15	
122-100-64-0000	335	7,282.15	
122-100-65-0000	336	7,282.15	
122-100-66-0000	337	7,282.15	
124-020-01-0000	338	9,988.67	
124-020-02-0000	339	9,988.67	
124-020-03-0000	340	9,988.67	
124-020-04-0000	341	9,988.67	
124-020-05-0000	342	9,988.67	
124-020-06-0000	343	9,988.67	
124-020-07-0000	344	9,988.67	
124-020-08-0000	345	9,988.67	
124-020-09-0000	346	9,988.67	
124-020-10-0000	347	9,988.67	
124-020-11-0000	348	9,988.67	
124-020-12-0000	349	9,988.67	
124-020-13-0000	350	9,988.67	
124-020-14-0000	351	9,988.67	
124-020-15-0000	352	9,988.67	
124-020-16-0000	353	9,988.67	
124-020-17-0000	354	9,988.67	
124-020-18-0000	355	9,988.67	
124-020-19-0000	356	9,988.67	
124-020-20-0000	357	9,988.67	
124-020-21-0000	358	9,988.67	
124-020-22-0000	359	9,988.67	
124-020-23-0000	360	9,988.67	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-020-24-0000	361	9,988.67	
124-020-25-0000	362	9,988.67	
124-020-26-0000	363	9,988.67	
124-020-27-0000	364	9,988.67	
124-030-01-0000	365	9,988.67	
124-030-02-0000	366	9,988.67	
124-030-03-0000	367	9,988.67	
124-030-04-0000	368	9,988.67	
124-030-05-0000	369	9,988.67	
124-030-06-0000	370	9,988.67	
124-030-07-0000	371	9,988.67	
124-030-08-0000	372	9,988.67	
124-030-09-0000	373	9,988.67	
124-030-10-0000	374	9,988.67	
124-030-11-0000	375	9,988.67	
124-030-12-0000	376	9,988.67	
124-030-13-0000	377	9,988.67	
124-030-14-0000	378	9,988.67	
124-030-15-0000	379	9,988.67	
124-030-16-0000	380	9,988.67	
124-030-17-0000	381	9,988.67	
124-030-18-0000	382	9,988.67	
124-030-19-0000	383	9,988.67	
124-030-20-0000	384	9,988.67	
124-030-21-0000	385	9,988.67	
124-030-22-0000	386	9,988.67	
124-030-23-0000	387	9,988.67	
124-030-24-0000	388	9,988.67	
124-030-25-0000	389	9,988.67	
124-030-26-0000	390	9,988.67	
124-040-01-0000	391	9,983.13	
124-040-02-0000	392	9,983.13	
124-040-03-0000	393	9,983.13	
124-040-04-0000	394	9,983.13	
124-040-05-0000	395	9,983.13	
124-040-06-0000	396	9,983.13	
124-040-07-0000	397	9,983.13	
124-040-08-0000	398	9,983.13	
124-040-09-0000	399	9,983.13	
124-040-10-0000	400	9,983.13	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-040-11-0000	401	9,983.13	
124-040-12-0000	402	9,983.13	
124-040-13-0000	403	9,983.13	
124-040-14-0000	404	9,983.13	
124-040-15-0000	405	9,983.13	
124-040-16-0000	406	9,983.13	
124-040-17-0000	407	9,983.13	
124-040-18-0000	408	9,983.13	
124-040-19-0000	409	9,983.13	
124-040-20-0000	410	9,983.13	
124-040-21-0000	411	9,983.13	
124-040-22-0000	412	9,983.13	
124-040-23-0000	413	9,983.13	
124-040-24-0000	414	9,983.13	
124-040-25-0000	415	9,983.13	
124-040-26-0000	416	9,983.13	
124-040-27-0000	417	9,983.13	
124-040-28-0000	418	9,983.13	
124-040-29-0000	419	9,983.13	
124-040-30-0000	420	9,983.13	
124-040-31-0000	421	9,983.13	
124-040-32-0000	422	9,983.13	
124-040-33-0000	423	9,983.13	
124-040-34-0000	424	9,983.13	
124-040-35-0000	425	9,983.13	
124-040-36-0000	426	9,983.13	
124-040-37-0000	427	9,983.13	
124-040-38-0000	428	9,983.13	
124-040-39-0000	429	9,983.13	
124-040-40-0000	430	9,983.13	
124-040-41-0000	431	9,983.13	
124-040-42-0000	432	9,983.13	
124-040-43-0000	433	9,983.13	
124-040-44-0000	434	9,983.13	
124-040-45-0000	435	9,983.13	
124-040-46-0000	436	9,983.13	
124-040-47-0000	437	9,983.13	
124-040-48-0000	438	9,983.13	
124-040-49-0000	439	9,983.13	
124-040-50-0000	440	9,983.13	



**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-040-51-0000	441	9,983.13	
124-040-52-0000	442	9,983.13	
124-040-53-0000	443	9,983.13	
124-040-54-0000	444	9,983.13	
124-040-55-0000	445	9,983.13	
124-040-56-0000	446	9,983.13	
124-040-57-0000	447	9,983.13	
124-040-58-0000	448	9,983.13	
124-040-59-0000	449	9,983.13	
124-040-60-0000	450	9,983.13	
124-060-01-0000	451	9,983.13	
124-060-02-0000	452	9,983.13	
124-060-03-0000	453	9,983.13	
124-060-04-0000	454	9,983.13	
124-060-05-0000	455	9,983.13	
124-060-06-0000	456	9,983.13	
124-060-07-0000	457	9,983.13	
124-060-08-0000	458	9,983.13	
124-060-09-0000	459	9,983.13	
124-060-10-0000	460	9,983.13	
124-060-11-0000	461	9,983.13	
124-060-12-0000	462	9,983.13	
124-060-13-0000	463	9,983.13	
124-060-14-0000	464	9,983.13	
124-060-15-0000	465	9,983.13	
124-060-16-0000	466	9,983.13	
124-060-17-0000	467	9,983.13	
124-060-18-0000	468	9,983.13	
124-060-19-0000	469	9,983.13	
124-060-20-0000	470	9,983.13	
124-060-21-0000	471	9,983.13	
124-060-22-0000	472	9,983.13	
124-060-23-0000	473	9,983.13	
124-060-24-0000	474	9,983.13	
124-060-25-0000	475	9,983.13	
124-060-26-0000	476	9,983.13	
124-060-27-0000	477	9,983.13	
124-060-28-0000	478	9,983.13	
124-060-29-0000	479	9,983.13	
124-060-30-0000	480	9,983.13	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-060-31-0000	481	9,983.13	
124-060-32-0000	482	9,983.13	
124-060-33-0000	483	9,983.13	
124-060-34-0000	484	9,983.13	
124-060-35-0000	485	9,983.13	
124-060-36-0000	486	9,983.13	
124-060-37-0000	487	9,983.13	
124-060-38-0000	488	9,983.13	
124-060-39-0000	489	9,983.13	
124-060-40-0000	490	9,983.13	
124-060-41-0000	491	9,983.13	
124-060-42-0000	492	9,983.13	
124-060-43-0000	493	9,983.13	
124-060-44-0000	494	9,983.13	
124-060-45-0000	495	9,983.13	
124-060-46-0000	496	9,983.13	
124-060-47-0000	497	9,983.13	
124-060-48-0000	498	9,983.13	
124-060-49-0000	499	9,983.13	
124-060-50-0000	500	9,983.13	
124-060-51-0000	501	9,983.13	
124-060-52-0000	502	9,983.13	
124-060-53-0000	503	9,983.13	
124-060-54-0000	504	9,983.13	
124-060-55-0000	505	9,983.13	
124-060-56-0000	506	9,983.13	
124-060-57-0000	507	9,983.13	
124-070-01-0000	508	9,983.13	
124-070-02-0000	509	9,983.13	
124-070-03-0000	510	9,983.13	
124-070-04-0000	511	9,983.13	
124-070-05-0000	512	9,983.13	
124-070-06-0000	513	9,983.13	
124-070-07-0000	514	9,983.13	
124-070-08-0000	515	9,983.13	
124-070-09-0000	516	9,983.13	
124-070-10-0000	517	9,983.13	
124-070-11-0000	518	9,983.13	
124-070-12-0000	519	9,983.13	
124-070-13-0000	520	9,983.13	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-070-14-0000	521	9,983.13	
124-070-15-0000	522	9,983.13	
124-070-16-0000	523	9,983.13	
124-070-17-0000	524	9,983.13	
124-070-18-0000	525	9,983.13	
124-070-19-0000	526	9,983.13	
124-070-20-0000	527	9,983.13	
124-070-21-0000	528	9,983.13	
124-070-22-0000	529	9,983.13	
124-070-23-0000	530	9,983.13	
124-070-24-0000	531	9,983.13	
124-070-25-0000	532	9,983.13	
124-070-26-0000	533	9,983.13	
124-070-27-0000	534	9,983.13	
124-070-28-0000	535	9,983.13	
124-070-29-0000	536	9,983.13	
124-070-30-0000	537	9,983.13	
124-070-31-0000	538	9,983.13	
124-070-32-0000	539	9,983.13	
124-070-33-0000	540	9,983.13	
124-070-34-0000	541	9,983.13	
124-070-35-0000	542	9,983.13	
124-070-36-0000	543	9,983.13	
124-070-37-0000	544	9,983.13	
124-070-38-0000	545	9,983.13	
124-070-39-0000	546	9,983.13	
124-070-40-0000	547	9,983.13	
124-070-41-0000	548	9,983.13	
124-070-42-0000	549	9,983.13	
124-070-43-0000	550	9,983.13	
124-070-44-0000	551	9,983.13	
124-070-45-0000	552	9,983.13	
124-070-46-0000	553	9,983.13	
124-070-47-0000	554	9,983.13	
124-070-48-0000	555	9,983.13	
124-070-49-0000	556	9,983.13	
124-070-50-0000	557	9,983.13	
124-070-51-0000	558	9,983.13	
124-070-52-0000	559	9,983.13	
124-070-53-0000	560	9,983.13	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-070-54-0000	561	9,983.13	
124-070-55-0000	562	9,983.13	
124-070-56-0000	563	9,983.13	
124-070-57-0000	564	9,983.13	
124-070-58-0000	565	9,983.13	
124-080-01-0000	566	9,987.30	
124-080-02-0000	567	9,987.30	
124-080-03-0000	568	9,987.30	
124-080-04-0000	569	9,987.30	
124-080-05-0000	570	9,987.30	
124-080-06-0000	571	9,987.30	
124-080-07-0000	572	9,987.30	
124-080-08-0000	573	9,987.30	
124-080-09-0000	574	9,987.30	
124-080-10-0000	575	9,987.30	
124-080-11-0000	576	9,987.30	
124-080-12-0000	577	9,987.30	
124-080-13-0000	578	9,987.30	
124-080-14-0000	579	9,987.30	
124-080-15-0000	580	9,987.30	
124-080-16-0000	581	9,987.30	
124-080-17-0000	582	9,987.30	
124-080-18-0000	583	9,987.30	
124-080-19-0000	584	9,987.30	
124-080-20-0000	585	9,987.30	
124-080-21-0000	586	9,987.30	
124-080-22-0000	587	9,987.30	
124-080-23-0000	588	9,987.30	
124-080-24-0000	589	9,987.30	
124-080-25-0000	590	9,987.30	
124-080-26-0000	591	9,987.30	
124-080-27-0000	592	9,987.30	
124-080-28-0000	593	9,987.30	
124-080-29-0000	594	9,987.30	
124-080-30-0000	595	9,987.30	
124-080-31-0000	596	9,987.30	
124-080-32-0000	597	9,987.30	
124-080-33-0000	598	9,987.30	
124-080-34-0000	599	9,987.30	
124-080-35-0000	600	9,987.30	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-080-36-0000	601	9,987.30	
124-080-37-0000	602	9,987.30	
124-080-38-0000	603	9,987.30	
124-080-39-0000	604	9,987.30	
124-080-40-0000	605	9,987.30	
124-080-41-0000	606	9,987.30	
124-080-42-0000	607	9,987.30	
124-080-43-0000	608	9,987.30	
124-080-44-0000	609	9,987.30	
124-080-45-0000	610	9,987.30	
124-080-46-0000	611	9,987.30	
124-080-47-0000	612	9,987.30	
124-080-48-0000	613	9,987.30	
124-080-49-0000	614	9,987.30	
124-080-50-0000	615	9,987.30	
124-080-51-0000	616	9,987.30	
124-080-52-0000	617	9,987.30	
124-080-53-0000	618	9,987.30	
124-080-54-0000	619	9,987.30	
124-080-55-0000	620	9,987.30	
124-080-56-0000	621	9,987.30	
124-080-57-0000	622	9,987.30	
124-080-58-0000	623	9,987.30	
124-090-01-0000	624	9,963.47	
124-090-02-0000	625	9,963.47	
124-090-03-0000	626	9,963.47	
124-090-04-0000	627	9,963.47	
124-090-05-0000	628	9,963.47	
124-090-06-0000	629	9,963.47	
124-090-07-0000	630	9,963.47	
124-090-08-0000	631	9,963.47	
124-090-09-0000	632	9,963.47	
124-090-10-0000	633	9,963.47	
124-090-11-0000	634	9,963.47	
124-090-12-0000	635	9,963.47	
124-090-13-0000	636	9,963.47	
124-090-14-0000	637	9,963.47	
124-090-15-0000	638	9,963.47	
124-090-16-0000	639	9,963.47	
124-090-17-0000	640	9,963.47	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-090-18-0000	641	9,963.47	
124-090-19-0000	642	9,963.47	
124-090-20-0000	643	9,963.47	
124-090-21-0000	644	9,963.47	
124-090-22-0000	645	9,963.47	
124-090-23-0000	646	9,963.47	
124-090-24-0000	647	9,963.47	
124-090-25-0000	648	9,963.47	
124-090-26-0000	649	9,963.47	
124-090-27-0000	650	9,963.47	
124-090-28-0000	651	9,963.47	
124-090-29-0000	652	9,963.47	
124-090-30-0000	653	9,963.47	
124-090-31-0000	654	9,963.47	
124-090-32-0000	655	9,963.47	
124-090-33-0000	656	9,963.47	
124-090-34-0000	657	9,963.47	
124-090-35-0000	658	9,963.47	
124-090-36-0000	659	9,963.47	
124-090-37-0000	660	9,963.47	
124-090-38-0000	661	9,963.47	
124-090-39-0000	662	9,963.47	
124-090-40-0000	663	9,963.47	
124-090-41-0000	664	9,963.47	
124-090-42-0000	665	9,963.47	
124-090-43-0000	666	9,963.47	
124-090-44-0000	667	9,963.47	
124-090-45-0000	668	9,963.47	
124-090-46-0000	669	9,963.47	
124-090-47-0000	670	9,963.47	
124-090-48-0000	671	9,963.47	
124-090-49-0000	672	9,963.47	
124-090-50-0000	673	9,963.47	
124-100-01-0000	674	9,963.47	
124-100-02-0000	675	9,963.47	
124-100-03-0000	676	9,963.47	
124-100-04-0000	677	9,963.47	
124-100-05-0000	678	9,963.47	
124-100-06-0000	679	9,963.47	
124-100-07-0000	680	9,963.47	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-100-08-0000	681	9,963.47	
124-100-09-0000	682	9,963.47	
124-100-10-0000	683	9,963.47	
124-100-11-0000	684	9,963.47	
124-100-12-0000	685	9,963.47	
124-100-13-0000	686	9,963.47	
124-100-14-0000	687	9,963.47	
124-100-15-0000	688	9,963.47	
124-100-16-0000	689	9,963.47	
124-100-17-0000	690	9,963.47	
124-100-18-0000	691	9,963.47	
124-100-19-0000	692	9,963.47	
124-100-20-0000	693	9,963.47	
124-100-21-0000	694	9,963.47	
124-100-22-0000	695	9,963.47	
124-100-23-0000	696	9,963.47	
124-100-24-0000	697	9,963.47	
124-100-25-0000	698	9,963.47	
124-100-26-0000	699	9,963.47	
124-100-27-0000	700	9,963.47	
124-100-28-0000	701	9,963.47	
124-100-29-0000	702	9,963.47	
124-100-30-0000	703	9,963.47	
124-100-31-0000	704	9,963.47	
124-100-32-0000	705	9,963.47	
124-100-33-0000	706	9,963.47	
124-100-34-0000	707	9,963.47	
124-100-35-0000	708	9,963.47	
124-100-36-0000	709	9,963.47	
124-100-37-0000	710	9,963.47	
124-100-38-0000	711	9,963.47	
124-100-39-0000	712	9,963.47	
124-100-40-0000	713	9,963.47	
124-100-41-0000	714	9,963.47	
124-100-42-0000	715	9,963.47	
124-100-43-0000	716	9,963.47	
124-100-44-0000	717	9,963.47	
124-100-45-0000	718	9,963.47	
124-100-46-0000	719	9,963.47	
124-100-47-0000	720	9,963.47	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-290-14-0000	721	619,960.93	
124-290-15-0000	722	110,430.55	
124-290-16-0000	723	71,683.00	
124-290-17-0000	724	88,150.70	
124-290-18-0000	725	132,710.40	
124-290-19-0000	726	46,497.05	
124-290-20-0000	727	47,465.75	
124-290-21-0000	728	113,846.95	
124-290-22-0000	729	10,198.17	
124-290-23-0000	730	35,105.25	
124-290-24-0000	731	25,103.20	
124-290-25-0000	732	31,280.94	
124-310-01-0000	733	9,981.45	
124-310-02-0000	734	9,981.45	
124-310-03-0000	735	9,981.45	
124-310-04-0000	736	9,981.45	
124-310-05-0000	737	9,981.45	
124-310-06-0000	738	9,981.45	
124-310-07-0000	739	9,981.45	
124-310-08-0000	740	9,981.45	
124-310-09-0000	741	9,981.45	
124-310-10-0000	742	9,981.45	
124-310-11-0000	743	9,981.45	
124-310-13-0000	744	9,981.45	
124-310-14-0000	745	9,981.45	
124-310-15-0000	746	9,981.45	
124-310-16-0000	747	9,981.45	
124-310-17-0000	748	9,981.45	
124-310-18-0000	749	9,981.45	
124-310-19-0000	750	9,981.45	
124-310-20-0000	751	9,981.45	
124-310-21-0000	752	9,981.45	
124-310-22-0000	753	9,981.45	
124-310-23-0000	754	9,981.45	
124-310-24-0000	755	9,981.45	
124-310-25-0000	756	9,981.45	
124-310-26-0000	757	9,981.45	
124-310-27-0000	758	9,981.45	
124-310-28-0000	759	9,981.45	
124-310-29-0000	760	9,981.45	



**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-310-30-0000	761	9,981.45	
124-310-31-0000	762	9,981.45	
124-310-32-0000	763	9,981.45	
124-310-33-0000	764	9,981.45	
124-310-34-0000	765	9,981.45	
124-310-35-0000	766	9,981.45	
124-310-36-0000	767	9,981.45	
124-310-37-0000	768	9,981.45	
124-310-38-0000	769	9,981.45	
124-310-39-0000	770	9,981.45	
124-310-40-0000	771	9,981.45	
124-310-41-0000	772	9,981.45	
124-310-42-0000	773	9,981.45	
124-310-43-0000	774	9,981.45	
124-310-44-0000	775	9,981.45	
124-310-45-0000	776	9,981.45	
124-310-46-0000	777	9,981.45	
124-310-47-0000	778	9,981.45	
124-310-48-0000	779	9,981.45	
124-310-49-0000	780	9,981.45	
124-310-50-0000	781	9,981.45	
124-310-51-0000	782	9,981.45	
124-310-52-0000	783	9,981.45	
124-310-53-0000	784	9,981.45	
124-310-54-0000	785	9,981.45	
124-310-55-0000	786	9,981.45	
124-310-56-0000	787	9,981.45	
124-310-57-0000	788	9,981.45	
124-310-58-0000	789	9,981.45	
124-310-59-0000	790	9,981.45	
124-310-60-0000	791	9,981.45	
124-310-61-0000	792	9,981.45	
124-310-62-0000	793	9,981.45	
124-310-63-0000	794	9,981.45	
124-310-64-0000	795	9,981.45	
124-310-65-0000	796	9,981.45	
124-320-01-0000	797	9,981.45	
124-320-02-0000	798	9,981.45	
124-320-03-0000	799	9,981.45	
124-320-04-0000	800	9,981.45	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-320-05-0000	801	9,981.45	
124-320-06-0000	802	9,981.45	
124-320-07-0000	803	9,981.45	
124-320-08-0000	804	9,981.45	
124-320-09-0000	805	9,981.45	
124-320-10-0000	806	9,981.45	
124-320-11-0000	807	9,981.45	
124-320-12-0000	808	9,981.45	
124-320-13-0000	809	9,981.45	
124-320-14-0000	810	9,981.45	
124-320-15-0000	811	9,981.45	
124-320-16-0000	812	9,981.45	
124-320-17-0000	813	9,981.45	
124-320-18-0000	814	9,981.45	
124-320-19-0000	815	9,981.45	
124-320-20-0000	816	9,981.45	
124-320-21-0000	817	9,981.45	
124-320-22-0000	818	9,981.45	
124-320-23-0000	819	9,981.45	
124-320-24-0000	820	9,981.45	
124-320-25-0000	821	9,981.45	
124-320-26-0000	822	9,981.45	
124-320-27-0000	823	9,981.45	
124-320-28-0000	824	9,981.45	
124-320-29-0000	825	9,981.45	
124-320-30-0000	826	9,981.45	
124-320-31-0000	827	9,981.45	
124-320-32-0000	828	9,981.45	
124-320-33-0000	829	9,981.45	
124-320-34-0000	830	9,981.45	
124-320-35-0000	831	9,981.45	
124-320-36-0000	832	9,981.45	
124-320-37-0000	833	9,981.45	
124-320-38-0000	834	9,981.45	
124-320-39-0000	835	9,981.45	
124-320-40-0000	836	9,981.45	
124-320-41-0000	837	9,981.45	
124-320-42-0000	838	9,981.45	
124-320-43-0000	839	9,981.45	
124-320-44-0000	840	9,981.45	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-320-45-0000	841	9,981.45	
124-320-46-0000	842	9,981.45	
124-320-47-0000	843	9,981.45	
124-320-48-0000	844	9,981.45	
124-330-01-0000	845	9,981.45	
124-330-02-0000	846	9,981.45	
124-330-03-0000	847	9,981.45	
124-330-04-0000	848	9,981.45	
124-330-05-0000	849	9,981.45	
124-330-06-0000	850	9,981.45	
124-330-07-0000	851	9,981.45	
124-330-08-0000	852	9,981.45	
124-330-09-0000	853	9,981.45	
124-330-10-0000	854	9,981.45	
124-330-11-0000	855	9,981.45	
124-330-12-0000	856	9,981.45	
124-330-13-0000	857	9,981.45	
124-330-14-0000	858	9,981.45	
124-330-15-0000	859	9,981.45	
124-330-16-0000	860	9,981.45	
124-330-17-0000	861	9,981.45	
124-330-18-0000	862	9,981.45	
124-330-19-0000	863	9,981.45	
124-330-20-0000	864	9,981.45	
124-330-21-0000	865	9,981.45	
124-330-22-0000	866	9,981.45	
124-330-23-0000	867	9,981.45	
124-330-24-0000	868	9,981.45	
124-330-25-0000	869	9,981.45	
124-330-26-0000	870	9,981.45	
124-330-27-0000	871	9,981.45	
124-330-28-0000	872	9,981.45	
124-330-29-0000	873	9,981.45	
124-330-30-0000	874	9,981.45	
124-330-31-0000	875	9,981.45	
124-330-32-0000	876	9,981.45	
124-330-33-0000	877	9,981.45	
124-330-34-0000	878	9,981.45	
124-330-35-0000	879	9,981.45	
124-330-36-0000	880	9,981.45	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-330-37-0000	881	9,981.45	
124-330-39-0000	882	9,981.45	
124-330-40-0000	883	9,981.45	
124-330-41-0000	884	9,981.45	
124-330-42-0000	885	9,981.45	
124-330-43-0000	886	9,981.45	
124-330-44-0000	887	9,981.45	
124-330-45-0000	888	9,981.45	
124-330-46-0000	889	9,981.45	
124-330-47-0000	890	9,981.45	
124-330-48-0000	891	9,981.45	
124-330-49-0000	892	9,981.45	
124-330-50-0000	893	9,981.45	
124-330-51-0000	894	9,981.45	
124-330-52-0000	895	9,981.45	
124-330-53-0000	896	9,981.45	
124-330-54-0000	897	9,981.45	
124-330-55-0000	898	9,981.45	
124-330-56-0000	899	9,981.45	
124-330-57-0000	900	9,981.45	
124-330-58-0000	901	9,981.45	
124-330-59-0000	902	9,981.45	
124-330-60-0000	903	9,981.45	
124-330-61-0000	904	9,981.45	
124-330-62-0000	905	9,981.45	
124-330-63-0000	906	9,981.45	
124-330-64-0000	907	9,981.45	
124-330-65-0000	908	9,981.45	
124-330-66-0000	909	9,981.45	
124-330-67-0000	910	9,981.45	
124-330-68-0000	911	9,981.45	
124-330-69-0000	912	9,981.45	
124-330-70-0000	913	9,981.45	
124-330-71-0000	914	9,981.45	
124-330-72-0000	915	9,981.45	
124-330-73-0000	916	9,981.45	
124-330-74-0000	917	9,981.45	
124-340-01-0000	918	9,981.45	
124-340-02-0000	919	9,981.45	
124-340-03-0000	920	9,981.45	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-340-04-0000	921	9,981.45	
124-340-05-0000	922	9,981.45	
124-340-06-0000	923	9,981.45	
124-340-07-0000	924	9,981.45	
124-340-08-0000	925	9,981.45	
124-340-09-0000	926	9,981.45	
124-340-10-0000	927	9,981.45	
124-340-11-0000	928	9,981.45	
124-340-12-0000	929	9,981.45	
124-340-13-0000	930	9,981.45	
124-340-14-0000	931	9,981.45	
124-340-15-0000	932	9,981.45	
124-340-16-0000	933	9,981.45	
124-340-17-0000	934	9,981.45	
124-340-18-0000	935	9,981.45	
124-340-19-0000	936	9,981.45	
124-340-20-0000	937	9,981.45	
124-340-21-0000	938	9,981.45	
124-340-22-0000	939	9,981.45	
124-340-23-0000	940	9,981.45	
124-340-24-0000	941	9,981.45	
124-340-25-0000	942	9,981.45	
124-340-26-0000	943	9,981.45	
124-340-27-0000	944	9,981.45	
124-340-28-0000	945	9,981.45	
124-340-29-0000	946	9,981.45	
124-340-30-0000	947	9,981.45	
124-340-31-0000	948	9,981.45	
124-340-32-0000	949	9,981.45	
124-340-33-0000	950	9,981.45	
124-340-34-0000	951	9,981.45	
124-340-35-0000	952	9,981.45	
124-340-36-0000	953	9,981.45	
124-340-37-0000	954	9,981.45	
124-340-38-0000	955	9,981.45	
124-340-39-0000	956	9,981.45	
124-340-40-0000	957	9,981.45	
124-340-41-0000	958	9,981.45	
124-340-42-0000	959	9,981.45	
124-340-43-0000	960	9,981.45	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-340-44-0000	961	9,981.45	
124-340-45-0000	962	9,981.45	
124-340-46-0000	963	9,981.45	
124-340-47-0000	964	9,981.45	
124-340-48-0000	965	9,981.45	
124-340-49-0000	966	9,981.45	
124-340-50-0000	967	9,981.45	
124-340-51-0000	968	9,981.45	
124-340-52-0000	969	9,981.45	
124-340-53-0000	970	9,981.45	
124-340-54-0000	971	9,981.45	
124-340-55-0000	972	9,981.45	
124-340-56-0000	973	9,981.45	
124-340-57-0000	974	9,981.45	
124-340-58-0000	975	9,981.45	
124-340-59-0000	976	9,981.45	
124-340-60-0000	977	9,981.45	
124-340-61-0000	978	9,981.45	
124-340-62-0000	979	9,981.45	
124-340-63-0000	980	9,981.45	
124-340-64-0000	981	9,981.45	
124-340-65-0000	982	9,981.45	
124-340-66-0000	983	9,981.45	
124-340-67-0000	984	9,981.45	
124-340-68-0000	985	9,981.45	
124-340-69-0000	986	9,981.45	
124-340-70-0000	987	9,981.45	
124-340-72-0000	988	9,981.45	
124-340-73-0000	989	9,981.45	
124-340-74-0000	990	9,981.45	
124-340-75-0000	991	9,981.45	
124-340-76-0000	992	9,981.45	
124-340-77-0000	993	9,981.45	
124-340-78-0000	994	9,981.45	
124-340-79-0000	995	9,981.45	
124-340-80-0000	996	9,981.45	
124-340-81-0000	997	9,981.45	
124-340-82-0000	998	9,981.45	
124-340-83-0000	999	9,981.45	
124-350-01-0000	1000	10,131.37	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-350-02-0000	1001	10,131.37	
124-350-03-0000	1002	10,131.37	
124-350-04-0000	1003	10,131.37	
124-350-05-0000	1004	10,131.37	
124-350-06-0000	1005	10,131.37	
124-350-07-0000	1006	10,131.37	
124-350-08-0000	1007	10,131.37	
124-350-09-0000	1008	10,131.37	
124-350-10-0000	1009	10,131.37	
124-350-11-0000	1010	10,131.37	
124-350-12-0000	1011	10,131.37	
124-350-13-0000	1012	10,131.37	
124-350-14-0000	1013	10,131.37	
124-350-15-0000	1014	10,131.37	
124-350-16-0000	1015	10,131.37	
124-350-17-0000	1016	10,131.37	
124-350-18-0000	1017	10,131.37	
124-350-19-0000	1018	10,131.37	
124-350-20-0000	1019	10,131.37	
124-350-21-0000	1020	10,131.37	
124-350-22-0000	1021	10,131.37	
124-350-23-0000	1022	10,131.37	
124-350-24-0000	1023	10,131.37	
124-350-25-0000	1024	10,131.37	
124-350-26-0000	1025	10,131.37	
124-350-27-0000	1026	10,131.37	
124-350-28-0000	1027	10,131.37	
124-350-29-0000	1028	10,131.37	
124-350-30-0000	1029	10,131.37	
124-350-31-0000	1030	10,131.37	
124-350-32-0000	1031	10,131.37	
124-350-33-0000	1032	10,131.37	
124-350-34-0000	1033	10,131.37	
124-350-35-0000	1034	10,131.37	
124-350-36-0000	1035	10,131.37	
124-350-37-0000	1036	10,131.37	
124-350-38-0000	1037	10,131.37	
124-350-39-0000	1038	10,131.37	
124-350-40-0000	1039	10,131.37	
124-350-41-0000	1040	10,131.37	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
124-350-42-0000	1041	10,131.37	
124-350-43-0000	1042	10,131.37	
124-350-44-0000	1043	10,131.37	
124-350-45-0000	1044	10,131.37	
124-350-46-0000	1045	10,131.37	
124-350-47-0000	1046	10,131.37	
124-350-48-0000	1047	10,131.37	
124-350-49-0000	1048	10,131.37	
124-350-50-0000	1049	10,131.37	
124-350-51-0000	1050	10,131.37	
124-350-52-0000	1051	10,131.37	
124-350-53-0000	1052	10,131.37	
124-350-54-0000	1053	10,131.37	
124-350-55-0000	1054	10,131.37	
124-350-56-0000	1055	10,131.37	
124-350-57-0000	1056	10,131.37	
124-350-58-0000	1057	10,131.37	
124-350-59-0000	1058	10,131.37	
126-220-01-0000	1059	9,948.56	
126-220-02-0000	1060	9,948.56	
126-220-03-0000	1061	9,948.56	
126-220-04-0000	1062	9,948.56	
126-220-05-0000	1063	9,948.56	
126-220-06-0000	1064	9,948.56	
126-220-07-0000	1065	9,948.56	
126-220-08-0000	1066	9,948.56	
126-220-09-0000	1067	9,948.56	
126-220-10-0000	1068	9,948.56	
126-220-11-0000	1069	9,948.56	
126-220-12-0000	1070	9,948.56	
126-220-14-0000	1071	9,948.56	
126-220-15-0000	1072	9,948.56	
126-220-16-0000	1073	9,948.56	
126-220-17-0000	1074	9,948.56	
126-220-18-0000	1075	9,948.56	
126-220-19-0000	1076	9,948.56	
126-220-20-0000	1077	9,948.56	
126-220-21-0000	1078	9,948.56	
126-220-22-0000	1079	9,948.56	
126-220-23-0000	1080	9,948.56	



**City of Stockton  
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**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
126-220-24-0000	1081	9,948.56	
126-220-25-0000	1082	9,948.56	
126-220-26-0000	1083	9,948.56	
126-220-27-0000	1084	9,948.56	
126-220-28-0000	1085	9,948.56	
126-220-29-0000	1086	9,948.56	
126-220-30-0000	1087	9,948.56	
126-220-31-0000	1088	9,948.56	
126-220-32-0000	1089	9,948.56	
126-220-33-0000	1090	9,948.56	
126-220-34-0000	1091	9,948.56	
126-220-35-0000	1092	9,948.56	
126-220-36-0000	1093	9,948.56	
126-220-37-0000	1094	9,948.56	
126-220-38-0000	1095	9,948.56	
126-220-39-0000	1096	9,948.56	
126-220-40-0000	1097	9,948.56	
126-220-41-0000	1098	9,948.56	
126-220-42-0000	1099	9,948.56	
126-220-43-0000	1100	9,948.56	
126-220-44-0000	1101	9,948.56	
126-220-45-0000	1102	9,948.56	
126-220-46-0000	1103	9,948.56	
126-220-47-0000	1104	9,948.56	
126-220-48-0000	1105	9,948.56	
126-220-49-0000	1106	9,948.56	
126-220-50-0000	1107	9,948.56	
126-220-51-0000	1108	9,948.56	
126-220-52-0000	1109	9,948.56	
126-220-53-0000	1110	9,948.56	
126-220-54-0000	1111	9,948.56	
126-220-55-0000	1112	9,948.56	
126-220-56-0000	1113	9,948.56	
126-230-01-0000	1114	9,948.56	
126-230-02-0000	1115	9,948.56	
126-230-03-0000	1116	9,948.56	
126-230-04-0000	1117	9,948.56	
126-230-05-0000	1118	9,948.56	
126-230-06-0000	1119	9,948.56	
126-230-07-0000	1120	9,948.56	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
126-230-08-0000	1121	9,948.56	
126-230-09-0000	1122	9,948.56	
126-230-10-0000	1123	9,948.56	
126-230-11-0000	1124	9,948.56	
126-230-12-0000	1125	9,948.56	
126-230-13-0000	1126	9,948.56	
126-230-14-0000	1127	9,948.56	
126-230-15-0000	1128	9,948.56	
126-230-16-0000	1129	9,948.56	
126-230-17-0000	1130	9,948.56	
126-230-18-0000	1131	9,948.56	
126-230-19-0000	1132	9,948.56	
126-230-20-0000	1133	9,948.56	
126-230-21-0000	1134	9,948.56	
126-230-22-0000	1135	9,948.56	
126-230-23-0000	1136	9,948.56	
126-230-24-0000	1137	9,948.56	
126-230-25-0000	1138	9,948.56	
126-230-26-0000	1139	9,948.56	
126-230-27-0000	1140	9,948.56	
126-230-28-0000	1141	9,948.56	
126-230-29-0000	1142	9,948.56	
126-230-30-0000	1143	9,948.56	
126-230-31-0000	1144	9,948.56	
126-230-32-0000	1145	9,948.56	
126-230-33-0000	1146	9,948.56	
126-230-34-0000	1147	9,948.56	
126-230-35-0000	1148	9,948.56	
126-230-36-0000	1149	9,948.56	
126-230-37-0000	1150	9,948.56	
126-230-38-0000	1151	9,948.56	
126-230-39-0000	1152	9,948.56	
126-230-40-0000	1153	9,948.56	
126-230-41-0000	1154	9,948.56	
126-230-42-0000	1155	9,948.56	
126-230-43-0000	1156	9,948.56	
126-230-44-0000	1157	9,948.56	
126-230-45-0000	1158	9,948.56	
126-230-46-0000	1159	9,948.56	
126-230-47-0000	1160	9,948.56	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
126-230-48-0000	1161	9,948.56	
126-230-49-0000	1162	9,948.56	
126-230-50-0000	1163	9,948.56	
126-230-51-0000	1164	9,948.56	
126-230-52-0000	1165	9,948.56	
126-230-53-0000	1166	9,948.56	
126-230-54-0000	1167	9,948.56	
126-230-55-0000	1168	9,948.56	
126-230-56-0000	1169	9,948.56	
126-230-57-0000	1170	9,948.56	
126-230-58-0000	1171	9,948.56	
126-230-59-0000	1172	9,948.56	
126-240-01-0000	1173	9,948.56	
126-240-02-0000	1174	9,948.56	
126-240-03-0000	1175	9,948.56	
126-240-04-0000	1176	9,948.56	
126-240-05-0000	1177	9,948.56	
126-240-06-0000	1178	9,948.56	
126-240-07-0000	1179	9,948.56	
126-240-08-0000	1180	9,948.56	
126-240-09-0000	1181	9,948.56	
126-240-10-0000	1182	9,948.56	
126-240-11-0000	1183	9,948.56	
126-240-12-0000	1184	9,948.56	
126-240-13-0000	1185	9,948.56	
126-240-14-0000	1186	9,948.56	
126-240-15-0000	1187	9,948.56	
126-240-16-0000	1188	9,948.56	
126-240-17-0000	1189	9,948.56	
126-240-18-0000	1190	9,948.56	
126-240-19-0000	1191	9,948.56	
126-240-20-0000	1192	9,948.56	
126-240-21-0000	1193	9,948.56	
126-240-22-0000	1194	9,948.56	
126-240-23-0000	1195	9,948.56	
126-240-24-0000	1196	9,948.56	
126-240-25-0000	1197	9,948.56	
126-240-26-0000	1198	9,948.56	
126-240-27-0000	1199	9,948.56	
126-240-28-0000	1200	9,948.56	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
126-240-29-0000	1201	9,948.56	
126-240-30-0000	1202	9,948.56	
126-240-31-0000	1203	9,948.56	
126-240-32-0000	1204	9,948.56	
126-240-33-0000	1205	9,948.56	
126-240-34-0000	1206	9,948.56	
126-240-35-0000	1207	9,948.56	
126-240-36-0000	1208	9,948.56	
126-240-37-0000	1209	9,948.56	
126-240-38-0000	1210	9,948.56	
126-240-39-0000	1211	9,948.56	
126-240-40-0000	1212	9,948.56	
126-240-41-0000	1213	9,948.56	
126-240-42-0000	1214	9,948.56	
126-240-43-0000	1215	9,948.56	
126-240-44-0000	1216	9,948.56	
126-240-45-0000	1217	9,948.56	
126-240-46-0000	1218	9,948.56	
126-240-47-0000	1219	9,948.56	
126-240-48-0000	1220	9,948.56	
126-240-49-0000	1221	9,948.56	
126-240-50-0000	1222	9,948.56	
126-250-01-0000	1223	9,948.83	
126-250-02-0000	1224	9,948.83	
126-250-03-0000	1225	9,948.83	
126-250-04-0000	1226	9,948.83	
126-250-05-0000	1227	9,948.83	
126-250-06-0000	1228	9,948.83	
126-250-07-0000	1229	9,948.83	
126-250-08-0000	1230	9,948.83	
126-250-09-0000	1231	9,948.83	
126-250-10-0000	1232	9,948.83	
126-250-11-0000	1233	9,948.83	
126-250-12-0000	1234	9,948.83	
126-250-13-0000	1235	9,948.83	
126-250-14-0000	1236	9,948.83	
126-250-15-0000	1237	9,948.83	
126-250-16-0000	1238	9,948.83	
126-250-17-0000	1239	9,948.83	
126-250-18-0000	1240	9,948.83	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
126-250-19-0000	1241	9,948.83	
126-250-20-0000	1242	9,948.83	
126-250-21-0000	1243	9,948.83	
126-250-22-0000	1244	9,948.83	
126-250-23-0000	1245	9,948.83	
126-250-24-0000	1246	9,948.83	
126-250-25-0000	1247	9,948.83	
126-250-26-0000	1248	9,948.83	
126-250-27-0000	1249	9,948.83	
126-250-28-0000	1250	9,948.83	
126-250-29-0000	1251	9,948.83	
126-250-30-0000	1252	9,948.83	
126-250-31-0000	1253	9,948.83	
126-250-32-0000	1254	9,948.83	
126-250-33-0000	1255	9,948.83	
126-250-34-0000	1256	9,948.83	
126-250-35-0000	1257	9,948.83	
126-250-36-0000	1258	9,948.83	
126-250-37-0000	1259	9,948.83	
126-250-38-0000	1260	9,948.83	
126-250-39-0000	1261	9,948.83	
126-250-40-0000	1262	9,948.83	
126-250-41-0000	1263	9,948.83	
126-250-42-0000	1264	9,948.83	
126-250-43-0000	1265	9,948.83	
126-250-44-0000	1266	9,948.83	
126-250-45-0000	1267	9,948.83	
126-250-46-0000	1268	9,948.83	
126-250-47-0000	1269	9,948.83	
126-250-48-0000	1270	9,948.83	
126-250-49-0000	1271	9,948.83	
126-250-50-0000	1272	9,948.83	
126-250-51-0000	1273	9,948.83	
126-250-52-0000	1274	9,948.83	
126-250-53-0000	1275	9,948.83	
126-250-54-0000	1276	9,948.83	
126-250-55-0000	1277	9,948.83	
126-250-56-0000	1278	9,948.83	
126-250-57-0000	1279	9,948.83	
126-250-58-0000	1280	9,948.83	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
126-250-59-0000	1281	9,948.83	
126-250-60-0000	1282	9,948.83	
126-250-61-0000	1283	9,948.83	
126-250-62-0000	1284	9,948.83	
126-250-63-0000	1285	9,948.83	
126-250-64-0000	1286	9,948.83	
126-250-65-0000	1287	9,948.83	
126-250-66-0000	1288	9,948.83	
126-250-67-0000	1289	9,948.83	
126-250-68-0000	1290	9,948.83	
126-250-69-0000	1291	9,948.83	
126-250-70-0000	1292	9,948.83	
126-250-71-0000	1293	9,948.83	
126-250-72-0000	1294	9,948.83	
126-250-73-0000	1295	9,948.83	
126-250-74-0000	1296	9,948.83	
126-250-75-0000	1297	9,948.83	
126-250-76-0000	1298	9,948.83	
126-250-77-0000	1299	9,948.83	
126-260-01-0000	1300	9,948.83	
126-260-02-0000	1301	9,948.83	
126-260-03-0000	1302	9,948.83	
126-260-04-0000	1303	9,948.83	
126-260-05-0000	1304	9,948.83	
126-260-06-0000	1305	9,948.83	
126-260-07-0000	1306	9,948.83	
126-260-08-0000	1307	9,948.83	
126-260-09-0000	1308	9,948.83	
126-260-10-0000	1309	9,948.83	
126-260-11-0000	1310	9,948.83	
126-260-12-0000	1311	9,948.83	
126-260-13-0000	1312	9,948.83	
126-260-14-0000	1313	9,948.83	
126-260-15-0000	1314	9,948.83	
126-260-16-0000	1315	9,948.83	
126-260-17-0000	1316	9,948.83	
126-260-18-0000	1317	9,948.83	
126-260-19-0000	1318	9,948.83	
126-260-20-0000	1319	9,948.83	
126-260-21-0000	1320	9,948.83	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
126-260-22-0000	1321	9,948.83	
126-260-23-0000	1322	9,948.83	
126-260-24-0000	1323	9,948.83	
126-260-25-0000	1324	9,948.83	
126-260-26-0000	1325	9,948.83	
126-260-27-0000	1326	9,948.83	
126-260-28-0000	1327	9,948.83	
126-260-29-0000	1328	9,948.83	
126-260-30-0000	1329	9,948.83	
126-260-31-0000	1330	9,948.83	
126-260-32-0000	1331	9,948.83	
126-260-33-0000	1332	9,948.83	
126-260-34-0000	1333	9,948.83	
126-260-35-0000	1334	9,948.83	
126-260-36-0000	1335	9,948.83	
126-260-37-0000	1336	9,948.83	
126-260-38-0000	1337	9,948.83	
126-260-39-0000	1338	9,948.83	
126-260-40-0000	1339	9,948.83	
126-260-41-0000	1340	9,948.83	
126-260-42-0000	1341	9,948.83	
126-260-43-0000	1342	9,948.83	
126-260-44-0000	1343	9,948.83	
126-260-45-0000	1344	9,948.83	
126-260-46-0000	1345	9,948.83	
126-260-47-0000	1346	9,948.83	
126-260-48-0000	1347	9,948.83	
126-260-49-0000	1348	9,948.83	
126-260-50-0000	1349	9,948.83	
126-260-51-0000	1350	9,948.83	
126-260-52-0000	1351	9,948.83	
126-260-53-0000	1352	9,948.83	
126-260-54-0000	1353	9,948.83	
126-260-55-0000	1354	9,948.83	
126-260-56-0000	1355	9,948.83	
126-260-57-0000	1356	9,948.83	
126-260-58-0000	1357	9,948.83	
126-260-59-0000	1358	9,948.83	
126-260-60-0000	1359	9,948.83	
126-260-61-0000	1360	9,948.83	

**City of Stockton  
Reassessment District No. 2003-02**

**Reassessment Roll**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<b>Assessor's Parcel Number</b>	<b>Reassessment ID</b>	<b>As Preliminarily Approved</b>	<b>As Confirmed</b>
126-260-62-0000	1361	9,948.83	
126-260-63-0000	1362	9,948.83	
126-260-64-0000	1363	9,948.83	
126-260-65-0000	1364	9,948.83	
126-260-66-0000	1365	9,948.83	
126-260-67-0000	1366	9,948.83	
126-260-68-0000	1367	9,948.83	
126-260-69-0000	1368	9,948.83	
126-260-70-0000	1369	9,948.83	
126-260-71-0000	1370	9,948.83	
126-260-72-0000	1371	9,948.83	
126-260-73-0000	1372	9,948.83	
126-260-74-0000	1373	9,948.83	
126-260-75-0000	1374	9,948.83	
126-260-76-0000	1375	9,948.83	
126-260-77-0000	1376	9,948.83	
126-260-78-0000	1377	9,948.83	
126-260-79-0000	1378	9,948.83	
126-260-80-0000	1379	9,948.83	
126-260-81-0000	1380	9,948.83	
126-260-82-0000	1381	9,948.83	
126-260-83-0000	1382	9,948.83	
126-260-84-0000	1383	9,948.83	
<b>Total</b>		<b>\$14,160,000.00</b>	



**CITY OF STOCKTON  
Reassessment District No. 2003-02**

**Comparison of the Auditor's Records for the Existing  
Bonds and the 2014 Refunding Bonds**

The auditor's records only include the unique reassessment lien amounts.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	Total of all Parcels	Remaining Assessment Lien:	\$15,245,931.33
Reassessment No:	Included within the Proposed	Estimated Reassessment:	<u>\$14,160,000.00</u>
Property Owner:	Reassessment District	Estimated Lien Savings:	\$1,085,931.33

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS			
Year	Principal	Interest	Total	Principal	Interest	Total	Savings
2014	\$415,570.46	\$471,890.31	\$887,460.77	\$50,000.00	\$460,290.83	\$510,290.83	\$377,169.94
2015	435,597.94	920,924.24	1,356,522.18	\$475,000.00	658,943.75	1,133,943.75	222,578.43
2016	460,632.31	896,530.74	1,357,163.05	\$495,000.00	635,906.25	1,130,906.25	226,256.80
2017	485,666.68	870,274.70	1,355,941.38	\$520,000.00	611,800.00	1,131,800.00	224,141.38
2018	515,707.94	842,106.03	1,357,813.97	\$545,000.00	586,506.25	1,131,506.25	226,307.72
2019	545,749.18	811,679.27	1,357,428.45	\$570,000.00	560,025.00	1,130,025.00	227,403.45
2020	580,797.30	777,842.80	1,358,640.10	\$600,000.00	532,237.50	1,132,237.50	226,402.60
2021	615,845.42	741,833.35	1,357,678.77	\$625,000.00	503,143.75	1,128,143.75	229,535.02
2022	650,893.52	703,650.96	1,354,544.48	\$655,000.00	472,743.75	1,127,743.75	226,800.73
2023	690,948.53	663,295.54	1,354,244.07	\$685,000.00	440,918.75	1,125,918.75	228,325.32
2024	736,010.38	620,456.76	1,356,467.14	\$720,000.00	407,550.00	1,127,550.00	228,917.14
2025	781,072.26	574,088.09	1,355,160.35	\$750,000.00	372,637.50	1,122,637.50	232,522.85
2026	831,140.98	524,880.53	1,356,021.51	\$790,000.00	336,062.50	1,126,062.50	229,959.01
2027	886,216.59	472,518.63	1,358,735.22	\$830,000.00	297,587.50	1,127,587.50	231,147.72
2028	941,292.20	416,687.00	1,357,979.20	\$865,000.00	257,331.25	1,122,331.25	235,647.95
2029	1,001,374.66	357,385.59	1,358,760.25	\$910,000.00	215,175.00	1,125,175.00	233,585.25
2030	1,061,457.18	294,298.97	1,355,756.15	\$950,000.00	171,000.00	1,121,000.00	234,756.15
2031	1,131,553.43	227,427.15	1,358,980.58	\$995,000.00	124,806.25	1,119,806.25	239,174.33
2032	1,201,649.64	156,139.30	1,357,788.94	\$1,040,000.00	76,475.00	1,116,475.00	241,313.94
2033	1,276,754.73	80,435.35	1,357,190.08	\$1,090,000.00	25,887.50	1,115,887.50	241,302.58
<b>TOTAL</b>	<b>\$15,245,931.33</b>	<b>\$11,424,345.31</b>	<b>\$26,670,276.64</b>	<b>\$14,160,000.00</b>	<b>\$7,747,028.33</b>	<b>\$21,907,028.33</b>	<b>\$4,763,248.31</b>
<b>Prepared By: Willdan Financial Services</b>			<b>April 2014</b>	<b>TOTAL SAVINGS</b>			<b>\$4,763,248.31</b>

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.  
The original lien amounts exceeded the principal amount in the original debt service schedule  
Total savings shown will be reduced by the amount of funds available from levy collections to date.



**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	<b>122-100-01-0000</b>	Remaining Assessment Lien:	<b>\$7,840.62</b>
Reassessment No:	<b>273</b>	Estimated Reassessment:	<b>\$7,282.15</b>
Property Owner:	<b>SEALES, KIRVAN &amp; LAURYN</b>	Estimated Lien Savings:	<b>\$558.47</b>

<b>AUDITOR'S RECORD FOR ORIGINAL BONDS</b>				<b>AUDITOR'S RECORD FOR REFUNDING BONDS</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Savings</b>
2014	\$213.72	\$242.68	\$456.40	\$25.71	\$236.72	\$262.43	\$193.97
2015	224.02	473.61	697.63	244.28	338.88	583.16	114.47
2016	236.89	461.06	697.95	254.57	327.03	581.60	116.35
2017	249.77	447.56	697.33	267.42	314.63	582.05	115.28
2018	265.22	433.08	698.30	280.28	301.63	581.91	116.39
2019	280.67	417.43	698.10	293.14	288.01	581.15	116.95
2020	298.69	400.03	698.72	308.57	273.72	582.29	116.43
2021	316.71	381.51	698.22	321.42	258.75	580.17	118.05
2022	334.74	361.87	696.61	336.85	243.12	579.97	116.64
2023	355.34	341.12	696.46	352.28	226.75	579.03	117.43
2024	378.51	319.09	697.60	370.28	209.59	579.87	117.73
2025	401.69	295.24	696.93	385.71	191.64	577.35	119.58
2026	427.44	269.93	697.37	406.28	172.83	579.11	118.26
2027	455.76	243.01	698.77	426.85	153.04	579.89	118.88
2028	484.08	214.29	698.37	444.85	132.34	577.19	121.18
2029	514.98	183.79	698.77	467.99	110.66	578.65	120.12
2030	545.88	151.35	697.23	488.56	87.94	576.50	120.73
2031	581.93	116.96	698.89	511.70	64.18	575.88	123.01
2032	617.98	80.30	698.28	534.85	39.33	574.18	124.10
2033	656.60	41.37	697.97	560.56	13.31	573.87	124.10
<b>TOTALS</b>	<b>\$7,840.62</b>	<b>\$5,875.28</b>	<b>\$13,715.90</b>	<b>\$7,282.15</b>	<b>\$3,984.10</b>	<b>\$11,266.25</b>	<b>\$2,449.65</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$2,449.65</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.



**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	122-050-01-0000	Remaining Assessment Lien:	\$7,989.47
Reassessment No:	1	Estimated Reassessment:	\$7,420.41
Property Owner:	AISPURO, JOSE	Estimated Lien Savings:	\$569.06

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS				
Year	Principal	Interest	Total	Principal	Interest	Total	Savings	
2014	\$217.78	\$247.29	\$465.07	\$26.20	\$241.21	\$267.41	\$197.66	
2015	228.27	482.60	710.87	248.92	345.31	594.23	116.64	
2016	241.39	469.82	711.21	259.40	333.24	592.64	118.57	
2017	254.51	456.06	710.57	272.50	320.61	593.11	117.46	
2018	270.25	441.30	711.55	285.60	307.35	592.95	118.60	
2019	285.99	425.35	711.34	298.70	293.48	592.18	119.16	
2020	304.36	407.62	711.98	314.42	278.91	593.33	118.65	
2021	322.73	388.75	711.48	327.53	263.67	591.20	120.28	
2022	341.09	368.74	709.83	343.25	247.74	590.99	118.84	
2023	362.08	347.59	709.67	358.97	231.06	590.03	119.64	
2024	385.70	325.14	710.84	377.31	213.57	590.88	119.96	
2025	409.31	300.85	710.16	393.03	195.28	588.31	121.85	
2026	435.55	275.06	710.61	413.99	176.11	590.10	120.51	
2027	464.41	247.62	712.03	434.95	155.95	590.90	121.13	
2028	493.28	218.36	711.64	453.29	134.85	588.14	123.50	
2029	524.76	187.28	712.04	476.88	112.76	589.64	122.40	
2030	556.25	154.22	710.47	497.84	89.61	587.45	123.02	
2031	592.98	119.18	712.16	521.42	65.40	586.82	125.34	
2032	629.71	81.82	711.53	545.00	40.08	585.08	126.45	
2033	669.07	42.15	711.22	571.20	13.57	584.77	126.45	
<b>TOTALS</b>	<b>\$7,989.47</b>	<b>\$5,986.80</b>	<b>\$13,976.27</b>	<b>\$7,420.40</b>	<b>\$4,059.76</b>	<b>\$11,480.16</b>	<b>\$2,496.11</b>	
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>				<b>\$2,496.11</b>
<b>April 2014</b>								

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	<b>126-220-01-0000</b>	Remaining Assessment Lien:	<b>\$10,711.51</b>
Reassessment No:	<b>1059</b>	Estimated Reassessment:	<b><u>\$9,948.56</u></b>
Property Owner:	<b>PHAM, TRUC</b>	Estimated Lien Savings:	<b>\$762.95</b>

<b>AUDITOR'S RECORD FOR ORIGINAL BONDS</b>				<b>AUDITOR'S RECORD FOR REFUNDING BONDS</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Savings</b>
2014	\$291.97	\$331.54	\$623.51	\$35.13	\$323.39	\$358.52	\$264.99
2015	306.04	647.02	953.06	333.73	462.96	796.69	156.37
2016	323.63	629.89	953.52	347.78	446.78	794.56	158.96
2017	341.22	611.44	952.66	365.34	429.84	795.18	157.48
2018	362.33	591.65	953.98	382.91	412.07	794.98	159.00
2019	383.43	570.27	953.70	400.47	393.46	793.93	159.77
2020	408.06	546.50	954.56	421.55	373.94	795.49	159.07
2021	432.68	521.20	953.88	439.11	353.50	792.61	161.27
2022	457.31	494.37	951.68	460.19	332.14	792.33	159.35
2023	485.45	466.02	951.47	481.27	309.78	791.05	160.42
2024	517.11	435.92	953.03	505.86	286.34	792.20	160.83
2025	548.77	403.34	952.11	526.94	261.81	788.75	163.36
2026	583.94	368.77	952.71	555.04	236.11	791.15	161.56
2027	622.64	331.98	954.62	583.14	209.08	792.22	162.40
2028	661.33	292.76	954.09	607.73	180.80	788.53	165.56
2029	703.55	251.09	954.64	639.35	151.18	790.53	164.11
2030	745.76	206.77	952.53	667.45	120.14	787.59	164.94
2031	795.01	159.79	954.80	699.07	87.69	786.76	168.04
2032	844.26	109.70	953.96	730.69	53.73	784.42	169.54
2033	897.02	56.51	953.53	765.81	18.19	784.00	169.53
<b>TOTALS</b>	<b>\$10,711.51</b>	<b>\$8,026.53</b>	<b>\$18,738.04</b>	<b>\$9,948.56</b>	<b>\$5,442.93</b>	<b>\$15,391.49</b>	<b>\$3,346.55</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$3,346.55</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	<b>126-250-01-0000</b>	Remaining Assessment Lien:	<b>\$10,711.80</b>
Reassessment No:	<b>1223</b>	Estimated Reassessment:	<b><u>\$9,948.83</u></b>
Property Owner:	<b>ARELLANO, HUMBERTO</b>	Estimated Lien Savings:	<b>\$762.97</b>

<b>AUDITOR'S RECORD FOR ORIGINAL BONDS</b>				<b>AUDITOR'S RECORD FOR REFUNDING BONDS</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Savings</b>
2014	\$291.98	\$331.55	\$623.53	\$35.13	\$323.40	\$358.53	\$265.00
2015	306.05	647.04	953.09	333.74	462.97	796.71	156.38
2016	323.64	629.90	953.54	347.79	446.79	794.58	158.96
2017	341.23	611.46	952.69	365.35	429.85	795.20	157.49
2018	362.34	591.66	954.00	382.92	412.08	795.00	159.00
2019	383.44	570.29	953.73	400.48	393.47	793.95	159.78
2020	408.07	546.51	954.58	421.56	373.95	795.51	159.07
2021	432.69	521.21	953.90	439.13	353.51	792.64	161.26
2022	457.32	494.39	951.71	460.20	332.15	792.35	159.36
2023	485.46	466.03	951.49	481.28	309.79	791.07	160.42
2024	517.12	435.93	953.05	505.87	286.35	792.22	160.83
2025	548.78	403.35	952.13	526.95	261.82	788.77	163.36
2026	583.96	368.78	952.74	555.05	236.12	791.17	161.57
2027	622.66	331.99	954.65	583.16	209.09	792.25	162.40
2028	661.35	292.76	954.11	607.75	180.80	788.55	165.56
2029	703.57	251.10	954.67	639.37	151.18	790.55	164.12
2030	745.78	206.77	952.55	667.47	120.14	787.61	164.94
2031	795.03	159.79	954.82	699.09	87.69	786.78	168.04
2032	844.28	109.70	953.98	730.71	53.73	784.44	169.54
2033	897.05	56.51	953.56	765.84	18.19	784.03	169.53
<b>TOTALS</b>	<b>\$10,711.80</b>	<b>\$8,026.72</b>	<b>\$18,738.52</b>	<b>\$9,948.84</b>	<b>\$5,443.07</b>	<b>\$15,391.91</b>	<b>\$3,346.61</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$3,346.61</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.



**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-090-01-0000	Remaining Assessment Lien:	\$10,727.57
Reassessment No:	624	Estimated Reassessment:	<u>\$9,963.47</u>
Property Owner:	NGUYEN, GIANA	Estimated Lien Savings:	\$764.10

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS			
Year	Principal	Interest	Total	Principal	Interest	Total	Savings
2014	\$292.41	\$332.04	\$624.45	\$35.18	\$323.88	\$359.06	\$265.39
2015	306.50	647.99	954.49	334.23	463.66	797.89	156.60
2016	324.12	630.83	954.95	348.30	447.45	795.75	159.20
2017	341.73	612.36	954.09	365.89	430.48	796.37	157.72
2018	362.87	592.54	955.41	383.48	412.69	796.17	159.24
2019	384.01	571.13	955.14	401.07	394.05	795.12	160.02
2020	408.67	547.32	955.99	422.18	374.50	796.68	159.31
2021	433.33	521.98	955.31	439.77	354.03	793.80	161.51
2022	457.99	495.11	953.10	460.88	332.64	793.52	159.58
2023	486.18	466.72	952.90	481.99	310.25	792.24	160.66
2024	517.88	436.58	954.46	506.62	286.77	793.39	161.07
2025	549.59	403.95	953.54	527.73	262.20	789.93	163.61
2026	584.82	369.32	954.14	555.87	236.47	792.34	161.80
2027	623.57	332.48	956.05	584.02	209.39	793.41	162.64
2028	662.33	293.20	955.53	608.64	181.07	789.71	165.82
2029	704.60	251.47	956.07	640.31	151.40	791.71	164.36
2030	746.88	207.08	953.96	668.45	120.32	788.77	165.19
2031	796.20	160.03	956.23	700.12	87.82	787.94	168.29
2032	845.52	109.87	955.39	731.78	53.81	785.59	169.80
2033	898.37	56.60	954.97	766.96	18.22	785.18	169.79
<b>TOTALS</b>	<b>\$10,727.57</b>	<b>\$8,038.60</b>	<b>\$18,766.17</b>	<b>\$9,963.47</b>	<b>\$5,451.10</b>	<b>\$15,414.57</b>	<b>\$3,351.60</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$3,351.60</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-310-01-0000	Remaining Assessment Lien:	\$10,746.94
Reassessment No:	733	Estimated Reassessment:	\$9,981.45
Property Owner:	JEGEDETRAN, CAMLE THI	Estimated Lien Savings:	\$765.49

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS				
Year	Principal	Interest	Total	Principal	Interest	Total	Savings	
2014	\$292.94	\$332.64	\$625.58	\$35.25	\$324.46	\$359.71	\$265.87	
2015	307.06	649.16	956.22	334.83	464.49	799.32	156.90	
2016	324.70	631.97	956.67	348.93	448.25	797.18	159.49	
2017	342.35	613.46	955.81	366.55	431.26	797.81	158.00	
2018	363.52	593.60	957.12	384.17	413.43	797.60	159.52	
2019	384.70	572.16	956.86	401.80	394.76	796.56	160.30	
2020	409.41	548.31	957.72	422.94	375.18	798.12	159.60	
2021	434.11	522.92	957.03	440.57	354.67	795.24	161.79	
2022	458.82	496.01	954.83	461.71	333.24	794.95	159.88	
2023	487.05	467.56	954.61	482.86	310.81	793.67	160.94	
2024	518.82	437.36	956.18	507.53	287.28	794.81	161.37	
2025	550.58	404.68	955.26	528.68	262.67	791.35	163.91	
2026	585.88	369.99	955.87	556.87	236.89	793.76	162.11	
2027	624.70	333.08	957.78	585.07	209.77	794.84	162.94	
2028	663.52	293.72	957.24	609.74	181.39	791.13	166.11	
2029	705.87	251.92	957.79	641.46	151.68	793.14	164.65	
2030	748.23	207.45	955.68	669.66	120.54	790.20	165.48	
2031	797.64	160.31	957.95	701.38	87.98	789.36	168.59	
2032	847.05	110.06	957.11	733.10	53.91	787.01	170.10	
2033	899.99	56.70	956.69	768.35	18.25	786.60	170.09	
<b>TOTALS</b>	<b>\$10,746.94</b>	<b>\$8,053.06</b>	<b>\$18,800.00</b>	<b>\$9,981.45</b>	<b>\$5,460.91</b>	<b>\$15,442.36</b>	<b>\$3,357.64</b>	
Prepared By: Willdan Financial Services				TOTAL SAVINGS				\$3,357.64
April 2014								

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	<b>124-040-01-0000</b>	Remaining Assessment Lien:	<b>\$10,748.74</b>
Reassessment No:	<b>391</b>	Estimated Reassessment:	<b>\$9,983.13</b>
Property Owner:	<b>DOUK, KY</b>	Estimated Lien Savings:	<b>\$765.61</b>

<b>AUDITOR'S RECORD FOR ORIGINAL BONDS</b>				<b>AUDITOR'S RECORD FOR REFUNDING BONDS</b>				
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Savings</b>	
2014	\$292.99	\$332.69	\$625.68	\$35.25	\$324.52	\$359.77	\$265.91	
2015	307.11	649.27	956.38	334.89	464.57	799.46	156.92	
2016	324.76	632.08	956.84	348.99	448.33	797.32	159.52	
2017	342.41	613.56	955.97	366.61	431.33	797.94	158.03	
2018	363.59	593.70	957.29	384.24	413.50	797.74	159.55	
2019	384.77	572.25	957.02	401.86	394.83	796.69	160.33	
2020	409.48	548.40	957.88	423.01	375.24	798.25	159.63	
2021	434.19	523.01	957.20	440.64	354.73	795.37	161.83	
2022	458.90	496.09	954.99	461.79	333.30	795.09	159.90	
2023	487.13	467.64	954.77	482.94	310.86	793.80	160.97	
2024	518.90	437.44	956.34	507.62	287.33	794.95	161.39	
2025	550.67	404.75	955.42	528.77	262.72	791.49	163.93	
2026	585.97	370.05	956.02	556.97	236.93	793.90	162.12	
2027	624.80	333.14	957.94	585.17	209.81	794.98	162.96	
2028	663.63	293.77	957.40	609.85	181.42	791.27	166.13	
2029	705.99	251.97	957.96	641.57	151.70	793.27	164.69	
2030	748.35	207.49	955.84	669.77	120.56	790.33	165.51	
2031	797.77	160.34	958.11	701.50	87.99	789.49	168.62	
2032	847.19	110.08	957.27	733.22	53.92	787.14	170.13	
2033	900.14	56.71	956.85	768.48	18.25	786.73	170.12	
<b>TOTALS</b>	<b>\$10,748.74</b>	<b>\$8,054.43</b>	<b>\$18,803.17</b>	<b>\$9,983.14</b>	<b>\$5,461.84</b>	<b>\$15,444.98</b>	<b>\$3,358.19</b>	
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>				<b>\$3,358.19</b>
<b>April 2014</b>								

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	<b>124-080-01-0000</b>	Remaining Assessment Lien:	<b>\$10,753.22</b>
Reassessment No:	<b>566</b>	Estimated Reassessment:	<b>\$9,987.30</b>
Property Owner:	<b>BERRY, IOLA E ETAL</b>	Estimated Lien Savings:	<b>\$765.92</b>

<b>AUDITOR'S RECORD FOR ORIGINAL BONDS</b>				<b>AUDITOR'S RECORD FOR REFUNDING BONDS</b>				
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Savings</b>	
2014	\$293.11	\$332.83	\$625.94	\$35.27	\$324.65	\$359.92	\$266.02	
2015	307.23	649.54	956.77	335.03	464.76	799.79	156.98	
2016	324.89	632.34	957.23	349.13	448.52	797.65	159.58	
2017	342.55	613.82	956.37	366.77	431.51	798.28	158.09	
2018	363.74	593.95	957.69	384.40	413.67	798.07	159.62	
2019	384.93	572.49	957.42	402.03	395.00	797.03	160.39	
2020	409.65	548.63	958.28	423.19	375.40	798.59	159.69	
2021	434.37	523.23	957.60	440.82	354.88	795.70	161.90	
2022	459.09	496.30	955.39	461.98	333.43	795.41	159.98	
2023	487.34	467.83	955.17	483.14	310.99	794.13	161.04	
2024	519.12	437.62	956.74	507.83	287.45	795.28	161.46	
2025	550.90	404.91	955.81	528.99	262.83	791.82	163.99	
2026	586.22	370.21	956.43	557.20	237.03	794.23	162.20	
2027	625.06	333.28	958.34	585.41	209.89	795.30	163.04	
2028	663.91	293.90	957.81	610.10	181.50	791.60	166.21	
2029	706.29	252.07	958.36	641.84	151.77	793.61	164.75	
2030	748.66	207.57	956.23	670.05	120.61	790.66	165.57	
2031	798.10	160.41	958.51	701.79	88.03	789.82	168.69	
2032	847.54	110.13	957.67	733.53	53.94	787.47	170.20	
2033	900.52	56.73	957.25	768.80	18.26	787.06	170.19	
<b>TOTALS</b>	<b>\$10,753.22</b>	<b>\$8,057.79</b>	<b>\$18,811.01</b>	<b>\$9,987.30</b>	<b>\$5,464.12</b>	<b>\$15,451.42</b>	<b>\$3,359.59</b>	
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>				<b>\$3,359.59</b>
<b>April 2014</b>								

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	<b>124-020-01-0000</b>	Remaining Assessment Lien:	<b>\$10,754.71</b>
Reassessment No:	<b>338</b>	Estimated Reassessment:	<b><u>\$9,988.67</u></b>
Property Owner:	<b>BORNEA, MARJO PENALOSA &amp; JO ANN ROSE M</b>	Estimated Lien Savings:	<b>\$766.04</b>

<b>AUDITOR'S RECORD FOR ORIGINAL BONDS</b>				<b>AUDITOR'S RECORD FOR REFUNDING BONDS</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Savings</b>
2014	\$293.15	\$332.88	\$626.03	\$35.27	\$324.70	\$359.97	\$266.06
2015	307.28	649.63	956.91	335.07	464.83	799.90	157.01
2016	324.94	632.43	957.37	349.18	448.58	797.76	159.61
2017	342.60	613.90	956.50	366.82	431.57	798.39	158.11
2018	363.79	594.03	957.82	384.45	413.73	798.18	159.64
2019	384.98	572.57	957.55	402.09	395.05	797.14	160.41
2020	409.70	548.70	958.40	423.25	375.45	798.70	159.70
2021	434.43	523.30	957.73	440.88	354.92	795.80	161.93
2022	459.15	496.37	955.52	462.05	333.48	795.53	159.99
2023	487.41	467.90	955.31	483.21	311.03	794.24	161.07
2024	519.19	437.68	956.87	507.90	287.49	795.39	161.48
2025	550.98	404.97	955.95	529.06	262.86	791.92	164.03
2026	586.30	370.26	956.56	557.28	237.06	794.34	162.22
2027	625.15	333.32	958.47	585.49	209.92	795.41	163.06
2028	664.00	293.94	957.94	610.18	181.53	791.71	166.23
2029	706.38	252.10	958.48	641.93	151.79	793.72	164.76
2030	748.77	207.60	956.37	670.14	120.63	790.77	165.60
2031	798.21	160.43	958.64	701.89	88.04	789.93	168.71
2032	847.66	110.14	957.80	733.63	53.95	787.58	170.22
2033	900.64	56.74	957.38	768.90	18.26	787.16	170.22
<b>TOTALS</b>	<b>\$10,754.71</b>	<b>\$8,058.89</b>	<b>\$18,813.60</b>	<b>\$9,988.67</b>	<b>\$5,464.87</b>	<b>\$15,453.54</b>	<b>\$3,360.06</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$3,360.06</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	<b>124-350-01-0000</b>	Remaining Assessment Lien:	<b>\$10,908.36</b>
Reassessment No:	<b>1000</b>	Estimated Reassessment:	<b>\$10,131.37</b>
Property Owner:	<b>RODRIGUEZ, MARY R ETAL</b>	Estimated Lien Savings:	<b>\$776.99</b>

<b>AUDITOR'S RECORD FOR ORIGINAL BONDS</b>				<b>AUDITOR'S RECORD FOR REFUNDING BONDS</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Savings</b>
2014	\$297.34	\$337.63	\$634.97	\$35.77	\$329.33	\$365.10	\$269.87
2015	311.67	658.91	970.58	339.86	471.47	811.33	159.25
2016	329.58	641.46	971.04	354.17	454.99	809.16	161.88
2017	347.49	622.67	970.16	372.06	437.74	809.80	160.36
2018	368.99	602.52	971.51	389.94	419.64	809.58	161.93
2019	390.48	580.75	971.23	407.83	400.69	808.52	162.71
2020	415.56	556.54	972.10	429.30	380.81	810.11	161.99
2021	440.63	530.78	971.41	447.18	360.00	807.18	164.23
2022	465.71	503.46	969.17	468.65	338.24	806.89	162.28
2023	494.37	474.58	968.95	490.11	315.47	805.58	163.37
2024	526.61	443.93	970.54	515.15	291.60	806.75	163.79
2025	558.85	410.76	969.61	536.62	266.62	803.24	166.37
2026	594.67	375.55	970.22	565.24	240.45	805.69	164.53
2027	634.08	338.08	972.16	593.86	212.92	806.78	165.38
2028	673.49	298.14	971.63	618.90	184.12	803.02	168.61
2029	716.48	255.71	972.19	651.10	153.96	805.06	167.13
2030	759.46	210.57	970.03	679.72	122.35	802.07	167.96
2031	809.62	162.72	972.34	711.91	89.30	801.21	171.13
2032	859.77	111.72	971.49	744.11	54.72	798.83	172.66
2033	913.51	57.55	971.06	779.89	18.52	798.41	172.65
<b>TOTALS</b>	<b>\$10,908.36</b>	<b>\$8,174.03</b>	<b>\$19,082.39</b>	<b>\$10,131.37</b>	<b>\$5,542.94</b>	<b>\$15,674.31</b>	<b>\$3,408.08</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$3,408.08</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	<b>124-290-22-0000</b>	Remaining Assessment Lien:	<b>\$10,980.28</b>
Reassessment No:	<b>729</b>	Estimated Reassessment:	<b>\$10,198.17</b>
Property Owner:	<b>LEGACY PARK APARTMENT ASSOC LLC</b>	Estimated Lien Savings:	<b>\$782.11</b>

<b>AUDITOR'S RECORD FOR ORIGINAL BONDS</b>				<b>AUDITOR'S RECORD FOR REFUNDING BONDS</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Savings</b>
2014	\$299.30	\$339.86	\$639.16	\$36.01	\$331.51	\$367.52	\$271.64
2015	313.72	663.26	976.98	342.10	474.58	816.68	160.30
2016	331.75	645.69	977.44	356.50	457.99	814.49	162.95
2017	349.78	626.78	976.56	374.51	440.62	815.13	161.43
2018	371.42	606.49	977.91	392.51	422.41	814.92	162.99
2019	393.05	584.58	977.63	410.52	403.34	813.86	163.77
2020	418.30	560.21	978.51	432.13	383.32	815.45	163.06
2021	443.54	534.28	977.82	450.13	362.37	812.50	165.32
2022	468.78	506.78	975.56	471.74	340.47	812.21	163.35
2023	497.63	477.71	975.34	493.34	317.55	810.89	164.45
2024	530.08	446.86	976.94	518.55	293.52	812.07	164.87
2025	562.54	413.46	976.00	540.16	268.38	808.54	167.46
2026	598.60	378.02	976.62	568.97	242.04	811.01	165.61
2027	638.26	340.31	978.57	597.77	214.33	812.10	166.47
2028	677.93	300.10	978.03	622.98	185.33	808.31	169.72
2029	721.20	257.39	978.59	655.39	154.97	810.36	168.23
2030	764.47	211.96	976.43	684.20	123.16	807.36	169.07
2031	814.96	163.80	978.76	716.61	89.89	806.50	172.26
2032	865.44	112.45	977.89	749.02	55.08	804.10	173.79
2033	919.53	57.93	977.46	785.03	18.64	803.67	173.79
<b>TOTALS</b>	<b>\$10,980.28</b>	<b>\$8,227.92</b>	<b>\$19,208.20</b>	<b>\$10,198.17</b>	<b>\$5,579.50</b>	<b>\$15,777.67</b>	<b>\$3,430.53</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$3,430.53</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton**  
**Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-290-24-0000	Remaining Assessment Lien:	\$27,028.37
Reassessment No:	731	Estimated Reassessment:	<u>\$25,103.20</u>
Property Owner:	MORADA CROSSING APARTMENT ASSOC LLC	Estimated Lien Savings:	\$1,925.17

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS				
Year	Principal	Interest	Total	Principal	Interest	Total	Savings	
2014	\$736.73	\$836.58	\$1,573.31	\$88.64	\$816.02	\$904.66	\$668.65	
2015	772.24	1,632.64	2,404.88	842.09	1,168.19	2,010.28	394.60	
2016	816.62	1,589.39	2,406.01	877.55	1,127.35	2,004.90	401.11	
2017	861.00	1,542.84	2,403.84	921.87	1,084.61	2,006.48	397.36	
2018	914.26	1,492.91	2,407.17	966.19	1,039.77	2,005.96	401.21	
2019	967.52	1,438.97	2,406.49	1,010.51	992.83	2,003.34	403.15	
2020	1,029.65	1,378.98	2,408.63	1,063.69	943.56	2,007.25	401.38	
2021	1,091.79	1,315.14	2,406.93	1,108.02	891.99	2,000.01	406.92	
2022	1,153.92	1,247.45	2,401.37	1,161.20	838.09	1,999.29	402.08	
2023	1,224.93	1,175.91	2,400.84	1,214.39	781.67	1,996.06	404.78	
2024	1,304.82	1,099.96	2,404.78	1,276.43	722.51	1,998.94	405.84	
2025	1,384.70	1,017.76	2,402.46	1,329.62	660.62	1,990.24	412.22	
2026	1,473.47	930.52	2,403.99	1,400.53	595.78	1,996.31	407.68	
2027	1,571.11	837.69	2,408.80	1,471.44	527.57	1,999.01	409.79	
2028	1,668.75	738.71	2,407.46	1,533.49	456.20	1,989.69	417.77	
2029	1,775.26	633.58	2,408.84	1,613.27	381.47	1,994.74	414.10	
2030	1,881.78	521.74	2,403.52	1,684.18	303.15	1,987.33	416.19	
2031	2,006.05	403.19	2,409.24	1,763.96	221.26	1,985.22	424.02	
2032	2,130.31	276.81	2,407.12	1,843.74	135.58	1,979.32	427.80	
2033	2,263.46	142.60	2,406.06	1,932.38	45.89	1,978.27	427.79	
<b>TOTALS</b>	<b>\$27,028.37</b>	<b>\$20,253.37</b>	<b>\$47,281.74</b>	<b>\$25,103.19</b>	<b>\$13,734.11</b>	<b>\$38,837.30</b>	<b>\$8,444.44</b>	
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>				<b>\$8,444.44</b>

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.



**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-290-25-0000	Remaining Assessment Lien:	\$33,679.87
Reassessment No:	732	Estimated Reassessment:	\$31,280.94
Property Owner:	MORADA CROSSING APARTMENT ASSOC LLC	Estimated Lien Savings:	\$2,398.93

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS			
Year	Principal	Interest	Total	Principal	Interest	Total	Savings
2014	\$918.04	\$1,042.46	\$1,960.50	\$110.46	\$1,016.83	\$1,127.29	\$833.21
2015	962.28	2,034.42	2,996.70	1,049.33	1,455.68	2,505.01	491.69
2016	1,017.59	1,980.53	2,998.12	1,093.51	1,404.78	2,498.29	499.83
2017	1,072.89	1,922.53	2,995.42	1,148.74	1,351.53	2,500.27	495.15
2018	1,139.25	1,860.30	2,999.55	1,203.96	1,295.65	2,499.61	499.94
2019	1,205.62	1,793.09	2,998.71	1,259.19	1,237.15	2,496.34	502.37
2020	1,283.04	1,718.34	3,001.38	1,325.46	1,175.77	2,501.23	500.15
2021	1,360.47	1,638.79	2,999.26	1,380.69	1,111.50	2,492.19	507.07
2022	1,437.89	1,554.44	2,992.33	1,446.96	1,044.34	2,491.30	501.03
2023	1,526.38	1,465.29	2,991.67	1,513.24	974.04	2,487.28	504.39
2024	1,625.92	1,370.65	2,996.57	1,590.56	900.32	2,490.88	505.69
2025	1,725.47	1,268.22	2,993.69	1,656.83	823.20	2,480.03	513.66
2026	1,836.08	1,159.52	2,995.60	1,745.19	742.40	2,487.59	508.01
2027	1,957.75	1,043.84	3,001.59	1,833.56	657.40	2,490.96	510.63
2028	2,079.41	920.51	2,999.92	1,910.88	568.47	2,479.35	520.57
2029	2,212.14	789.50	3,001.64	2,010.29	475.34	2,485.63	516.01
2030	2,344.87	650.14	2,995.01	2,098.65	377.76	2,476.41	518.60
2031	2,499.72	502.41	3,002.13	2,198.06	275.71	2,473.77	528.36
2032	2,654.57	344.93	2,999.50	2,297.47	168.94	2,466.41	533.09
2033	2,820.49	177.69	2,998.18	2,407.93	57.19	2,465.12	533.06
<b>TOTALS</b>	<b>\$33,679.87</b>	<b>\$25,237.60</b>	<b>\$58,917.47</b>	<b>\$31,280.96</b>	<b>\$17,114.00</b>	<b>\$48,394.96</b>	<b>\$10,522.51</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$10,522.51</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	<b>124-290-23-0000</b>	Remaining Assessment Lien:	<b>\$37,797.48</b>
Reassessment No:	<b>730</b>	Estimated Reassessment:	<b><u>\$35,105.25</u></b>
Property Owner:	<b>MORADA CROSSING APARTMENT ASSOC LLC</b>	Estimated Lien Savings:	<b>\$2,692.23</b>

<b>AUDITOR'S RECORD FOR ORIGINAL BONDS</b>				<b>AUDITOR'S RECORD FOR REFUNDING BONDS</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Savings</b>
2014	\$1,030.28	\$1,169.90	\$2,200.18	\$123.96	\$1,141.15	\$1,265.11	\$935.07
2015	1,079.93	2,283.14	3,363.07	1,177.61	1,633.64	2,811.25	551.82
2016	1,141.99	2,222.66	3,364.65	1,227.20	1,576.53	2,803.73	560.92
2017	1,204.06	2,157.57	3,361.63	1,289.18	1,516.76	2,805.94	555.69
2018	1,278.54	2,087.74	3,366.28	1,351.16	1,454.06	2,805.22	561.06
2019	1,353.01	2,012.30	3,365.31	1,413.14	1,388.41	2,801.55	563.76
2020	1,439.90	1,928.42	3,368.32	1,487.51	1,319.51	2,807.02	561.30
2021	1,526.79	1,839.14	3,365.93	1,549.49	1,247.39	2,796.88	569.05
2022	1,613.69	1,744.48	3,358.17	1,623.87	1,172.02	2,795.89	562.28
2023	1,712.99	1,644.43	3,357.42	1,698.24	1,093.12	2,791.36	566.06
2024	1,824.71	1,538.23	3,362.94	1,785.01	1,010.39	2,795.40	567.54
2025	1,936.42	1,423.27	3,359.69	1,859.39	923.84	2,783.23	576.46
2026	2,060.55	1,301.28	3,361.83	1,958.56	833.16	2,791.72	570.11
2027	2,197.09	1,171.46	3,368.55	2,057.72	737.77	2,795.49	573.06
2028	2,333.64	1,033.04	3,366.68	2,144.49	637.97	2,782.46	584.22
2029	2,482.59	886.02	3,368.61	2,256.06	533.46	2,789.52	579.09
2030	2,631.55	729.62	3,361.17	2,355.23	423.94	2,779.17	582.00
2031	2,805.33	563.83	3,369.16	2,466.79	309.42	2,776.21	592.95
2032	2,979.11	387.10	3,366.21	2,578.35	189.60	2,767.95	598.26
2033	3,165.31	199.41	3,364.72	2,702.31	64.18	2,766.49	598.23
<b>TOTALS</b>	<b>\$37,797.48</b>	<b>\$28,323.04</b>	<b>\$66,120.52</b>	<b>\$35,105.27</b>	<b>\$19,206.32</b>	<b>\$54,311.59</b>	<b>\$11,808.93</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$11,808.93</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-290-19-0000	Remaining Assessment Lien:	\$50,062.90
Reassessment No:	726	Estimated Reassessment:	\$46,497.05
Property Owner:	ROIC CALIFORNIA LLC	Estimated Lien Savings:	\$3,565.85

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS			
Year	Principal	Interest	Total	Principal	Interest	Total	Savings
2014	\$1,364.60	\$1,549.54	\$2,914.14	\$164.18	\$1,511.45	\$1,675.63	\$1,238.51
2015	1,430.37	3,024.03	4,454.40	1,559.75	2,163.77	3,723.52	730.88
2016	1,512.57	2,943.93	4,456.50	1,625.43	2,088.12	3,713.55	742.95
2017	1,594.78	2,857.71	4,452.49	1,707.52	2,008.96	3,716.48	736.01
2018	1,693.42	2,765.22	4,458.64	1,789.61	1,925.90	3,715.51	743.13
2019	1,792.07	2,665.30	4,457.37	1,871.70	1,838.95	3,710.65	746.72
2020	1,907.16	2,554.19	4,461.35	1,970.21	1,747.70	3,717.91	743.44
2021	2,022.25	2,435.95	4,458.20	2,052.31	1,652.17	3,704.48	753.72
2022	2,137.33	2,310.57	4,447.90	2,150.82	1,552.34	3,703.16	744.74
2023	2,268.86	2,178.06	4,446.92	2,249.33	1,447.84	3,697.17	749.75
2024	2,416.83	2,037.39	4,454.22	2,364.26	1,338.27	3,702.53	751.69
2025	2,564.80	1,885.13	4,449.93	2,462.77	1,223.63	3,686.40	763.53
2026	2,729.21	1,723.54	4,452.75	2,594.12	1,103.53	3,697.65	755.10
2027	2,910.06	1,551.60	4,461.66	2,725.46	977.19	3,702.65	759.01
2028	3,090.91	1,368.27	4,459.18	2,840.39	845.00	3,685.39	773.79
2029	3,288.20	1,173.54	4,461.74	2,988.16	706.57	3,694.73	767.01
2030	3,485.50	966.39	4,451.89	3,119.51	561.51	3,681.02	770.87
2031	3,715.67	746.80	4,462.47	3,267.27	409.83	3,677.10	785.37
2032	3,945.84	512.71	4,458.55	3,415.04	251.12	3,666.16	792.39
2033	4,192.47	264.12	4,456.59	3,579.22	85.01	3,664.23	792.36
<b>TOTALS</b>	<b>\$50,062.90</b>	<b>\$37,513.99</b>	<b>\$87,576.89</b>	<b>\$46,497.06</b>	<b>\$25,438.86</b>	<b>\$71,935.92</b>	<b>\$15,640.97</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$15,640.97</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-290-20-0000	Remaining Assessment Lien:	\$51,105.91
Reassessment No:	727	Estimated Reassessment:	\$47,465.75
Property Owner:	CHEEMA, JASBIR S & TARENJIT KAUR	Estimated Lien Savings:	\$3,640.16

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS			
Year	Principal	Interest	Total	Principal	Interest	Total	Savings
2014	\$1,393.03	\$1,581.82	\$2,974.85	\$167.61	\$1,542.94	\$1,710.55	\$1,264.30
2015	1,460.17	3,087.03	4,547.20	1,592.25	2,208.85	3,801.10	746.10
2016	1,544.09	3,005.26	4,549.35	1,659.29	2,131.62	3,790.91	758.44
2017	1,628.00	2,917.25	4,545.25	1,743.09	2,050.82	3,793.91	751.34
2018	1,728.71	2,822.82	4,551.53	1,826.90	1,966.03	3,792.93	758.60
2019	1,829.41	2,720.83	4,550.24	1,910.70	1,877.26	3,787.96	762.28
2020	1,946.89	2,607.41	4,554.30	2,011.26	1,784.11	3,795.37	758.93
2021	2,064.38	2,486.70	4,551.08	2,095.06	1,686.59	3,781.65	769.43
2022	2,181.86	2,358.71	4,540.57	2,195.63	1,584.68	3,780.31	760.26
2023	2,316.13	2,223.43	4,539.56	2,296.19	1,478.00	3,774.19	765.37
2024	2,467.18	2,079.83	4,547.01	2,413.51	1,366.15	3,779.66	767.35
2025	2,618.23	1,924.40	4,542.63	2,514.08	1,249.12	3,763.20	779.43
2026	2,786.07	1,759.45	4,545.52	2,648.16	1,126.52	3,774.68	770.84
2027	2,970.69	1,583.93	4,554.62	2,782.24	997.54	3,779.78	774.84
2028	3,155.31	1,396.78	4,552.09	2,899.57	862.60	3,762.17	789.92
2029	3,356.71	1,197.99	4,554.70	3,050.41	721.29	3,771.70	783.00
2030	3,558.11	986.52	4,544.63	3,184.50	573.21	3,757.71	786.92
2031	3,793.08	762.36	4,555.44	3,335.34	418.36	3,753.70	801.74
2032	4,028.05	523.39	4,551.44	3,486.19	256.35	3,742.54	808.90
2033	4,279.81	269.63	4,549.44	3,653.79	86.78	3,740.57	808.87
<b>TOTALS</b>	<b>\$51,105.91</b>	<b>\$38,295.54</b>	<b>\$89,401.45</b>	<b>\$47,465.77</b>	<b>\$25,968.82</b>	<b>\$73,434.59</b>	<b>\$15,966.86</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$15,966.86</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-290-16-0000	Remaining Assessment Lien:	\$77,180.39
Reassessment No:	723	Estimated Reassessment:	<u>\$71,683.00</u>
Property Owner:	ROIC CALIFORNIA LLC	Estimated Lien Savings:	\$5,497.39

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS				
Year	Principal	Interest	Total	Principal	Interest	Total	Savings	
2014	\$2,103.77	\$2,388.88	\$4,492.65	\$253.12	\$2,330.16	\$2,583.28	\$1,909.37	
2015	2,205.15	4,662.05	6,867.20	2,404.62	3,335.81	5,740.43	1,126.77	
2016	2,331.89	4,538.56	6,870.45	2,505.87	3,219.19	5,725.06	1,145.39	
2017	2,458.62	4,405.64	6,864.26	2,632.43	3,097.15	5,729.58	1,134.68	
2018	2,610.70	4,263.04	6,873.74	2,758.99	2,969.11	5,728.10	1,145.64	
2019	2,762.78	4,109.01	6,871.79	2,885.54	2,835.05	5,720.59	1,151.20	
2020	2,940.20	3,937.72	6,877.92	3,037.42	2,694.38	5,731.80	1,146.12	
2021	3,117.63	3,755.43	6,873.06	3,163.97	2,547.09	5,711.06	1,162.00	
2022	3,295.06	3,562.13	6,857.19	3,315.84	2,393.20	5,709.04	1,148.15	
2023	3,497.83	3,357.84	6,855.67	3,467.72	2,232.09	5,699.81	1,155.86	
2024	3,725.95	3,140.97	6,866.92	3,644.90	2,063.16	5,708.06	1,158.86	
2025	3,954.07	2,906.24	6,860.31	3,796.77	1,886.42	5,683.19	1,177.12	
2026	4,207.53	2,657.13	6,864.66	3,999.26	1,701.27	5,700.53	1,164.13	
2027	4,486.35	2,392.06	6,878.41	4,201.76	1,506.49	5,708.25	1,170.16	
2028	4,765.16	2,109.42	6,874.58	4,378.94	1,302.70	5,681.64	1,192.94	
2029	5,069.32	1,809.21	6,878.53	4,606.75	1,089.29	5,696.04	1,182.49	
2030	5,373.48	1,489.85	6,863.33	4,809.24	865.66	5,674.90	1,188.43	
2031	5,728.33	1,151.32	6,879.65	5,037.05	631.81	5,668.86	1,210.79	
2032	6,083.18	790.43	6,873.61	5,264.85	387.14	5,651.99	1,221.62	
2033	6,463.39	407.19	6,870.58	5,517.97	131.05	5,649.02	1,221.56	
<b>TOTALS</b>	<b>\$77,180.39</b>	<b>\$57,834.12</b>	<b>\$135,014.51</b>	<b>\$71,683.01</b>	<b>\$39,218.22</b>	<b>\$110,901.23</b>	<b>\$24,113.28</b>	
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>				<b>\$24,113.28</b>
April 2014								

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	<b>122-090-33-0000</b>	Remaining Assessment Lien:	<b>\$85,205.43</b>
Reassessment No:	<b>272</b>	Estimated Reassessment:	<b><u>\$79,136.45</u></b>
Property Owner:	<b>LODI UNIFIED SCHOOL DIST</b>	Estimated Lien Savings:	<b>\$6,068.98</b>

<b>AUDITOR'S RECORD FOR ORIGINAL BONDS</b>				<b>AUDITOR'S RECORD FOR REFUNDING BONDS</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Savings</b>
2014	\$2,322.51	\$2,637.27	\$4,959.78	\$279.44	\$2,572.44	\$2,851.88	\$2,107.90
2015	2,434.44	5,146.80	7,581.24	2,654.65	3,682.66	6,337.31	1,243.93
2016	2,574.35	5,010.47	7,584.82	2,766.42	3,553.91	6,320.33	1,264.49
2017	2,714.26	4,863.73	7,577.99	2,906.14	3,419.19	6,325.33	1,252.66
2018	2,882.15	4,706.31	7,588.46	3,045.86	3,277.83	6,323.69	1,264.77
2019	3,050.05	4,536.26	7,586.31	3,185.58	3,129.83	6,315.41	1,270.90
2020	3,245.92	4,347.16	7,593.08	3,353.24	2,974.53	6,327.77	1,265.31
2021	3,441.80	4,145.91	7,587.71	3,492.96	2,811.94	6,304.90	1,282.81
2022	3,637.67	3,932.52	7,570.19	3,660.62	2,642.04	6,302.66	1,267.53
2023	3,861.53	3,706.98	7,568.51	3,828.28	2,464.18	6,292.46	1,276.05
2024	4,113.37	3,467.57	7,580.94	4,023.89	2,277.69	6,301.58	1,279.36
2025	4,365.20	3,208.42	7,573.62	4,191.55	2,082.57	6,274.12	1,299.50
2026	4,645.02	2,933.42	7,578.44	4,415.10	1,878.16	6,293.26	1,285.18
2027	4,952.83	2,640.78	7,593.61	4,638.65	1,663.14	6,301.79	1,291.82
2028	5,260.63	2,328.75	7,589.38	4,834.25	1,438.16	6,272.41	1,316.97
2029	5,596.41	1,997.33	7,593.74	5,085.75	1,202.56	6,288.31	1,305.43
2030	5,932.20	1,644.76	7,576.96	5,309.30	955.67	6,264.97	1,311.99
2031	6,323.95	1,271.03	7,594.98	5,560.79	697.51	6,258.30	1,336.68
2032	6,715.70	872.62	7,588.32	5,812.28	427.40	6,239.68	1,348.64
2033	7,135.44	449.53	7,584.97	6,091.72	144.68	6,236.40	1,348.57
<b>TOTALS</b>	<b>\$85,205.43</b>	<b>\$63,847.62</b>	<b>\$149,053.05</b>	<b>\$79,136.47</b>	<b>\$43,296.09</b>	<b>\$122,432.56</b>	<b>\$26,620.49</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$26,620.49</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-290-17-0000	Remaining Assessment Lien:	\$94,910.98
Reassessment No:	724	Estimated Reassessment:	\$88,150.70
Property Owner:	ROIC CALIFORNIA LLC	Estimated Lien Savings:	\$6,760.28

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS				
Year	Principal	Interest	Total	Principal	Interest	Total	Savings	
2014	\$2,587.06	\$2,937.67	\$5,524.73	\$311.27	\$2,865.46	\$3,176.73	\$2,348.00	
2015	2,711.74	5,733.06	8,444.80	2,957.03	4,102.14	7,059.17	1,385.63	
2016	2,867.59	5,581.20	8,448.79	3,081.54	3,958.73	7,040.27	1,408.52	
2017	3,023.44	5,417.75	8,441.19	3,237.17	3,808.66	7,045.83	1,395.36	
2018	3,210.45	5,242.39	8,452.84	3,392.81	3,651.20	7,044.01	1,408.83	
2019	3,397.47	5,052.97	8,450.44	3,548.44	3,486.34	7,034.78	1,415.66	
2020	3,615.66	4,842.33	8,457.99	3,735.20	3,313.36	7,048.56	1,409.43	
2021	3,833.84	4,618.16	8,452.00	3,890.83	3,132.24	7,023.07	1,428.93	
2022	4,052.03	4,380.46	8,432.49	4,077.59	2,942.99	7,020.58	1,411.91	
2023	4,301.38	4,129.23	8,430.61	4,264.35	2,744.87	7,009.22	1,421.39	
2024	4,581.91	3,862.55	8,444.46	4,482.24	2,537.13	7,019.37	1,425.09	
2025	4,862.43	3,573.89	8,436.32	4,669.00	2,319.79	6,988.79	1,447.53	
2026	5,174.13	3,267.56	8,441.69	4,918.01	2,092.10	7,010.11	1,431.58	
2027	5,516.99	2,941.59	8,458.58	5,167.03	1,852.58	7,019.61	1,438.97	
2028	5,859.86	2,594.01	8,453.87	5,384.91	1,601.97	6,986.88	1,466.99	
2029	6,233.89	2,224.84	8,458.73	5,665.05	1,339.54	7,004.59	1,454.14	
2030	6,607.92	1,832.11	8,440.03	5,914.07	1,064.53	6,978.60	1,461.43	
2031	7,044.30	1,415.81	8,460.11	6,194.21	776.96	6,971.17	1,488.94	
2032	7,480.67	972.02	8,452.69	6,474.35	476.08	6,950.43	1,502.26	
2033	7,948.22	500.74	8,448.96	6,785.61	161.16	6,946.77	1,502.19	
<b>TOTALS</b>	<b>\$94,910.98</b>	<b>\$71,120.34</b>	<b>\$166,031.32</b>	<b>\$88,150.71</b>	<b>\$48,227.83</b>	<b>\$136,378.54</b>	<b>\$29,652.78</b>	
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>				<b>\$29,652.78</b>
April 2014								

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-290-15-0000	Remaining Assessment Lien:	\$118,899.49
Reassessment No:	722	Estimated Reassessment:	\$110,430.55
Property Owner:	ROIC CALIFORNIA LLC	Estimated Lien Savings:	\$8,468.94

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS			
Year	Principal	Interest	Total	Principal	Interest	Total	Savings
2014	\$3,240.94	\$3,680.16	\$6,921.10	\$389.94	\$3,589.70	\$3,979.64	\$2,941.46
2015	3,397.13	7,182.07	10,579.20	3,704.41	5,138.95	8,843.36	1,735.84
2016	3,592.36	6,991.83	10,584.19	3,860.39	4,959.29	8,819.68	1,764.51
2017	3,787.60	6,787.07	10,574.67	4,055.36	4,771.29	8,826.65	1,748.02
2018	4,021.89	6,567.39	10,589.28	4,250.33	4,574.03	8,824.36	1,764.92
2019	4,256.17	6,330.10	10,586.27	4,445.30	4,367.50	8,812.80	1,773.47
2020	4,529.50	6,066.22	10,595.72	4,679.26	4,150.80	8,830.06	1,765.66
2021	4,802.84	5,785.39	10,588.23	4,874.23	3,923.90	8,798.13	1,790.10
2022	5,076.17	5,487.61	10,563.78	5,108.19	3,686.82	8,795.01	1,768.77
2023	5,388.55	5,172.89	10,561.44	5,342.16	3,438.62	8,780.78	1,780.66
2024	5,739.97	4,838.80	10,578.77	5,615.11	3,178.39	8,793.50	1,785.27
2025	6,091.40	4,477.18	10,568.58	5,849.08	2,906.11	8,755.19	1,813.39
2026	6,481.88	4,093.42	10,575.30	6,161.03	2,620.87	8,781.90	1,793.40
2027	6,911.40	3,685.06	10,596.46	6,472.98	2,320.82	8,793.80	1,802.66
2028	7,340.92	3,249.65	10,590.57	6,745.93	2,006.87	8,752.80	1,837.77
2029	7,809.49	2,787.17	10,596.66	7,096.88	1,678.10	8,774.98	1,821.68
2030	8,278.06	2,295.17	10,573.23	7,408.83	1,333.59	8,742.42	1,830.81
2031	8,824.72	1,773.65	10,598.37	7,759.77	973.33	8,733.10	1,865.27
2032	9,371.39	1,217.69	10,589.08	8,110.72	596.41	8,707.13	1,881.95
2033	9,957.11	627.30	10,584.41	8,500.66	201.89	8,702.55	1,881.86
<b>TOTALS</b>	<b>\$118,899.49</b>	<b>\$89,095.82</b>	<b>\$207,995.31</b>	<b>\$110,430.56</b>	<b>\$60,417.28</b>	<b>\$170,847.84</b>	<b>\$37,147.47</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$37,147.47</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.



**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-290-21-0000	Remaining Assessment Lien:	\$122,577.87
Reassessment No:	728	Estimated Reassessment:	\$113,846.95
Property Owner:	LEGACY PARK APARTMENT ASSOC LLC	Estimated Lien Savings:	\$8,730.92

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS			
Year	Principal	Interest	Total	Principal	Interest	Total	Savings
2014	\$3,341.20	\$3,794.02	\$7,135.22	\$402.00	\$3,700.76	\$4,102.76	\$3,032.46
2015	3,502.22	7,404.27	10,906.49	3,819.02	5,297.93	9,116.95	1,789.54
2016	3,703.50	7,208.14	10,911.64	3,979.82	5,112.71	9,092.53	1,819.11
2017	3,904.78	6,997.04	10,901.82	4,180.82	4,918.90	9,099.72	1,802.10
2018	4,146.31	6,770.57	10,916.88	4,381.82	4,715.53	9,097.35	1,819.53
2019	4,387.84	6,525.93	10,913.77	4,582.82	4,502.62	9,085.44	1,828.33
2020	4,669.63	6,253.89	10,923.52	4,824.02	4,279.21	9,103.23	1,820.29
2021	4,951.42	5,964.37	10,915.79	5,025.02	4,045.30	9,070.32	1,845.47
2022	5,233.21	5,657.38	10,890.59	5,266.23	3,800.88	9,067.11	1,823.48
2023	5,555.25	5,332.92	10,888.17	5,507.43	3,545.00	9,052.43	1,835.74
2024	5,917.55	4,988.50	10,906.05	5,788.83	3,276.72	9,065.55	1,840.50
2025	6,279.85	4,615.69	10,895.54	6,030.03	2,996.02	9,026.05	1,869.49
2026	6,682.41	4,220.06	10,902.47	6,351.63	2,701.96	9,053.59	1,848.88
2027	7,125.22	3,799.07	10,924.29	6,673.23	2,392.62	9,065.85	1,858.44
2028	7,568.03	3,350.18	10,918.21	6,954.63	2,068.95	9,023.58	1,894.63
2029	8,051.09	2,873.39	10,924.48	7,316.44	1,730.02	9,046.46	1,878.02
2030	8,534.16	2,366.18	10,900.34	7,638.04	1,374.85	9,012.89	1,887.45
2031	9,097.73	1,828.52	10,926.25	7,999.84	1,003.45	9,003.29	1,922.96
2032	9,661.31	1,255.37	10,916.68	8,361.64	614.86	8,976.50	1,940.18
2033	10,265.16	646.70	10,911.86	8,763.64	208.14	8,971.78	1,940.08
<b>TOTALS</b>	<b>\$122,577.87</b>	<b>\$91,852.19</b>	<b>\$214,430.06</b>	<b>\$113,846.95</b>	<b>\$62,286.43</b>	<b>\$176,133.38</b>	<b>\$38,296.68</b>
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>			
<b>April 2014</b>				<b>\$38,296.68</b>			

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-290-18-0000	Remaining Assessment Lien:	\$142,887.97
Reassessment No:	725	Estimated Reassessment:	\$132,710.40
Property Owner:	ROIC CALIFORNIA LLC	Estimated Lien Savings:	\$10,177.57

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS				
Year	Principal	Interest	Total	Principal	Interest	Total	Savings	
2014	\$3,894.81	\$4,422.65	\$8,317.46	\$468.61	\$4,313.94	\$4,782.55	\$3,534.91	
2015	4,082.51	8,631.09	12,713.60	4,451.80	6,175.75	10,627.55	2,086.05	
2016	4,317.14	8,402.47	12,719.61	4,639.24	5,959.84	10,599.08	2,120.53	
2017	4,551.77	8,156.39	12,708.16	4,873.55	5,733.91	10,607.46	2,100.70	
2018	4,833.32	7,892.39	12,725.71	5,107.85	5,496.86	10,604.71	2,121.00	
2019	5,114.87	7,607.22	12,722.09	5,342.16	5,248.67	10,590.83	2,131.26	
2020	5,443.35	7,290.10	12,733.45	5,623.32	4,988.24	10,611.56	2,121.89	
2021	5,771.83	6,952.61	12,724.44	5,857.63	4,715.57	10,573.20	2,151.24	
2022	6,100.31	6,594.76	12,695.07	6,138.79	4,430.65	10,569.44	2,125.63	
2023	6,475.71	6,216.54	12,692.25	6,419.96	4,132.38	10,552.34	2,139.91	
2024	6,898.04	5,815.05	12,713.09	6,747.99	3,819.64	10,567.63	2,145.46	
2025	7,320.37	5,380.47	12,700.84	7,029.15	3,492.43	10,521.58	2,179.26	
2026	7,789.62	4,919.29	12,708.91	7,404.04	3,149.65	10,553.69	2,155.22	
2027	8,305.80	4,428.54	12,734.34	7,778.93	2,789.05	10,567.98	2,166.36	
2028	8,821.98	3,905.28	12,727.26	8,106.96	2,411.76	10,518.72	2,208.54	
2029	9,385.09	3,349.49	12,734.58	8,528.71	2,016.66	10,545.37	2,189.21	
2030	9,948.19	2,758.23	12,706.42	8,903.59	1,602.65	10,506.24	2,200.18	
2031	10,605.15	2,131.49	12,736.64	9,325.34	1,169.71	10,495.05	2,241.59	
2032	11,262.10	1,463.37	12,725.47	9,747.09	716.74	10,463.83	2,261.64	
2033	11,966.01	753.86	12,719.87	10,215.70	242.62	10,458.32	2,261.55	
<b>TOTALS</b>	<b>\$142,887.97</b>	<b>\$107,071.29</b>	<b>\$249,959.26</b>	<b>\$132,710.41</b>	<b>\$72,606.72</b>	<b>\$205,317.13</b>	<b>\$44,642.13</b>	
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>				<b>\$44,642.13</b>
<b>April 2014</b>								

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**City of Stockton  
Reassessment District No. 2003-02**

**Summary**

Assessor's Parcel No:	124-290-14-0000	Remaining Assessment Lien:	\$667,505.78
Reassessment No:	721	Estimated Reassessment:	\$619,960.93
Property Owner:	ROIC CALIFORNIA LLC	Estimated Lien Savings:	\$47,544.85

AUDITOR'S RECORD FOR ORIGINAL BONDS				AUDITOR'S RECORD FOR REFUNDING BONDS				
Year	Principal	Interest	Total	Principal	Interest	Total	Savings	
2014	\$18,194.74	\$20,660.56	\$38,855.30	\$2,189.13	\$20,152.71	\$22,341.84	\$16,513.46	
2015	19,071.59	40,320.41	59,392.00	20,796.71	28,850.24	49,646.95	9,745.05	
2016	20,167.66	39,252.40	59,420.06	21,672.36	27,841.60	49,513.96	9,906.10	
2017	21,263.73	38,102.85	59,366.58	22,766.93	26,786.17	49,553.10	9,813.48	
2018	22,579.01	36,869.55	59,448.56	23,861.49	25,678.74	49,540.23	9,908.33	
2019	23,894.29	35,537.39	59,431.68	24,956.05	24,519.32	49,475.37	9,956.31	
2020	25,428.79	34,055.94	59,484.73	26,269.53	23,302.72	49,572.25	9,912.48	
2021	26,963.28	32,479.36	59,442.64	27,364.09	22,028.92	49,393.01	10,049.63	
2022	28,497.78	30,807.63	59,305.41	28,677.57	20,697.93	49,375.50	9,929.91	
2023	30,251.49	29,040.77	59,292.26	29,991.05	19,304.55	49,295.60	9,996.66	
2024	32,224.41	27,165.18	59,389.59	31,523.44	17,843.58	49,367.02	10,022.57	
2025	34,197.34	25,135.04	59,332.38	32,836.91	16,315.02	49,151.93	10,180.45	
2026	36,389.47	22,980.61	59,370.08	34,588.22	14,713.67	49,301.89	10,068.19	
2027	38,800.82	20,688.07	59,488.89	36,339.52	13,029.14	49,368.66	10,120.23	
2028	41,212.17	18,243.62	59,455.79	37,871.91	11,266.62	49,138.53	10,317.26	
2029	43,842.74	15,647.25	59,489.99	39,842.12	9,420.91	49,263.03	10,226.96	
2030	46,473.30	12,885.16	59,358.46	41,593.42	7,486.82	49,080.24	10,278.22	
2031	49,542.30	9,957.34	59,499.64	43,563.64	5,464.34	49,027.98	10,471.66	
2032	52,611.29	6,836.18	59,447.47	45,533.85	3,348.27	48,882.12	10,565.35	
2033	55,899.58	3,521.66	59,421.24	47,722.98	1,133.42	48,856.40	10,564.84	
<b>TOTALS</b>	<b>\$667,505.78</b>	<b>\$500,186.97</b>	<b>\$1,167,692.75</b>	<b>\$619,960.92</b>	<b>\$339,184.69</b>	<b>\$959,145.61</b>	<b>\$208,547.14</b>	
<b>Prepared By: Willdan Financial Services</b>				<b>TOTAL SAVINGS</b>				<b>\$208,547.14</b>
<b>April 2014</b>								

Notes: The 2014 Interest on the original bonds represents the September 2, 2014 interest payment only.

Total savings shown will be reduced by the amount of funds available from levy collections to date.

**CITY OF STOCKTON  
Reassessment District No. 2003-02**

**Method of Reassessment**

Each Reassessment has been computed as a proration of the existing individual assessments to the total existing assessment.

**CITY OF STOCKTON**  
**Reassessment District No. 2003-021**

**Certifications**

1. I, the City Clerk of the City of Stockton, hereby certify that the foregoing Reassessment with the Reassessment Diagram thereto attached, was filed with me on \_\_\_\_\_, 2014.

\_\_\_\_\_  
City Clerk, City of Stockton

2. I, the City Clerk of the City of Stockton, California, hereby certify that the Reassessments set forth in Column 3 of the Reassessment Roll, with Reassessment Diagram attached, were approved and confirmed by the City Council of said City on \_\_\_\_\_, 2014.

\_\_\_\_\_  
City Clerk, City of Stockton

3. I, the City Engineer of the City of Stockton, County of San Joaquin, California, hereby certify that this Reassessment, together with the Reassessment Diagram thereto attached, was recorded in my office on \_\_\_\_\_, 2014.

\_\_\_\_\_  
City Engineer (Superintendent of  
Streets)

4. A Notice of Reassessment was recorded and the Reassessment Diagram was filed in the office of the County Recorder of the County of San Joaquin, California, on \_\_\_\_\_, 2014.

\_\_\_\_\_  
City Clerk, City of Stockton

**CITY OF STOCKTON**  
**Reassessment District No. 2003-02**

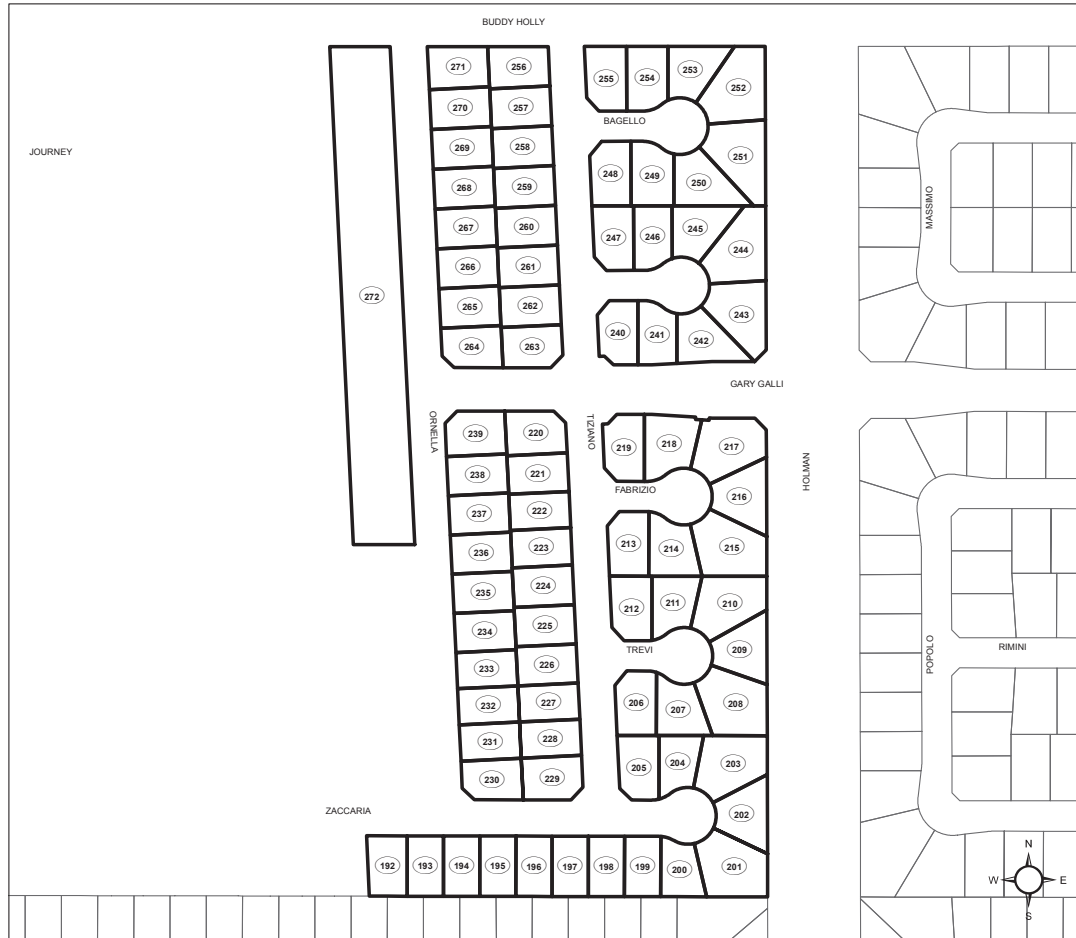
**Reassessment Diagram**

The reassessment diagram is on file with the City Clerk and is attached hereto.

# REASSESSMENT DIAGRAM OF REASSESSMENT DISTRICT NO. 2014-1

CITY OF STOCKTON  
 COUNTY OF SAN JOAQUIN  
 STATE OF CALIFORNIA

SHEET 1 OF 13



- REASSESSMENT DISTRICT PARCELS
- 1 REASSESSMENT NUMBERS

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF STOCKTON, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014.

\_\_\_\_\_  
 CITY CLERK  
 CITY OF STOCKTON

A REASSESSMENT WAS LEVIED BY THE CITY COUNCIL OF THE CITY OF STOCKTON ON THE LOTS, PIECES AND PARCELS OF LAND SHOWN ON THIS REASSESSMENT DIAGRAM. SAID REASSESSMENT WAS LEVIED ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014. SAID REASSESSMENT DIAGRAM AND REASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY OF STOCKTON ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014. REFERENCE IS MADE TO THE REASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF SAID CITY FOR THE EXACT AMOUNT OF EACH REASSESSMENT LEVIED AGAINST EACH PARCEL SHOWN ON THE REASSESSMENT DIAGRAM.

\_\_\_\_\_  
 CITY CLERK  
 CITY OF STOCKTON

RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS, CITY OF STOCKTON, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014.

\_\_\_\_\_  
 SUPERINTENDENT OF STREETS  
 CITY OF STOCKTON

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_ M. IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) \_\_\_\_\_ AT THE REQUEST OF THE CITY OF STOCKTON IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

FEE: \_\_\_\_\_ INST. NO.: \_\_\_\_\_

KENNETH W. BLAKEMORE, COUNTY CLERK-RECORDER

\_\_\_\_\_  
 BY DEPUTY  
 COUNTY RECORDER  
 COUNTY OF SAN JOAQUIN

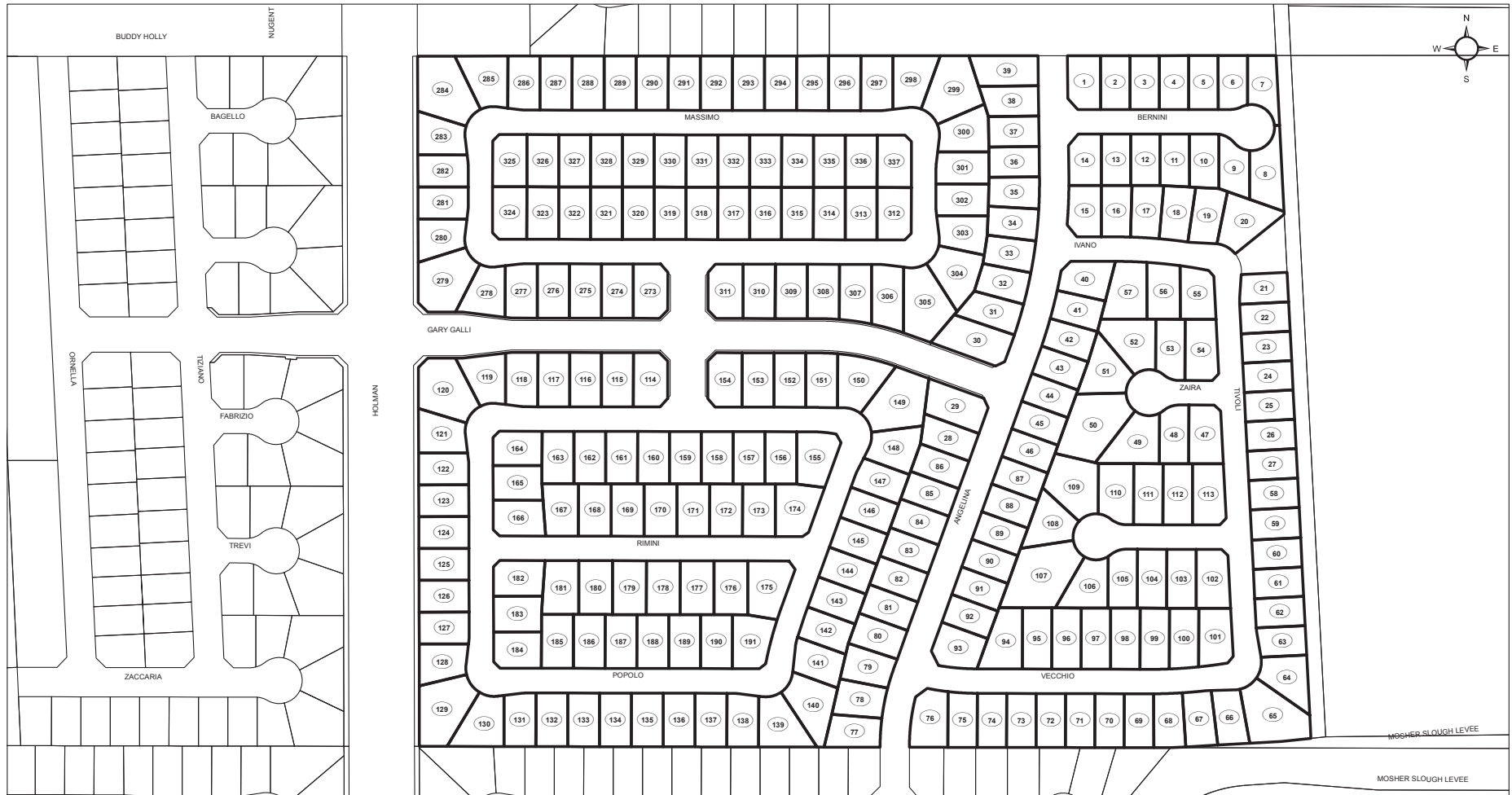
NOTE:

THIS REASSESSMENT DIAGRAM IS RECORDED PURSUANT TO THE REFUNDING ACT OF 1984 FOR 1915 IMPROVEMENT ACT BONDS (SECTION 9500 AND FOLLOWING, CALIFORNIA STREETS AND HIGHWAYS CODE). THE RECORDING OF THE REASSESSMENTS FROM THESE PROCEEDINGS HAS SUPERSEDED AND SUPPLANTED THE EARLIER ASSESSMENTS FOR THE CITY OF STOCKTON ASSESSMENT DISTRICT NO. 2003-2 COUNTY OF SAN JOAQUIN, CALIFORNIA, WHICH BECAME A LIEN BY VIRTUE OF THE RECORDING ON AUGUST 13, 2003. IN BOOK 4 AT PAGES 99, OF THE MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS RESPECTIVELY, IN THE OFFICE OF COUNTY RECORDER FOR THE COUNTY OF SAN JOAQUIN.

FOR PARTICULARS ON THE LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE SAN JOAQUIN COUNTY ASSESSOR, WHICH MAPS SHALL GOVERN FOR ALL DETAILS RELATING THERETO.

# REASSESSMENT DIAGRAM OF REASSESSMENT DISTRICT NO. 2014-1

## CITY OF STOCKTON COUNTY OF SAN JOAQUIN STATE OF CALIFORNIA



- REASSESSMENT DISTRICT PARCELS
- 1 REASSESSMENT NUMBERS



# REASSESSMENT DIAGRAM OF REASSESSMENT DISTRICT NO. 2014-1

CITY OF STOCKTON  
COUNTY OF SAN JOAQUIN  
STATE OF CALIFORNIA

SHEET 3 OF 13



□ REASSESSMENT DISTRICT PARCELS

① REASSESSMENT NUMBERS

# REASSESSMENT DIAGRAM OF REASSESSMENT DISTRICT NO. 2014-1

CITY OF STOCKTON  
COUNTY OF SAN JOAQUIN  
STATE OF CALIFORNIA

SHEET 4 OF 13



□ REASSESSMENT DISTRICT PARCELS

① REASSESSMENT NUMBERS

# REASSESSMENT DIAGRAM OF REASSESSMENT DISTRICT NO. 2014-1

CITY OF STOCKTON  
 COUNTY OF SAN JOAQUIN  
 STATE OF CALIFORNIA

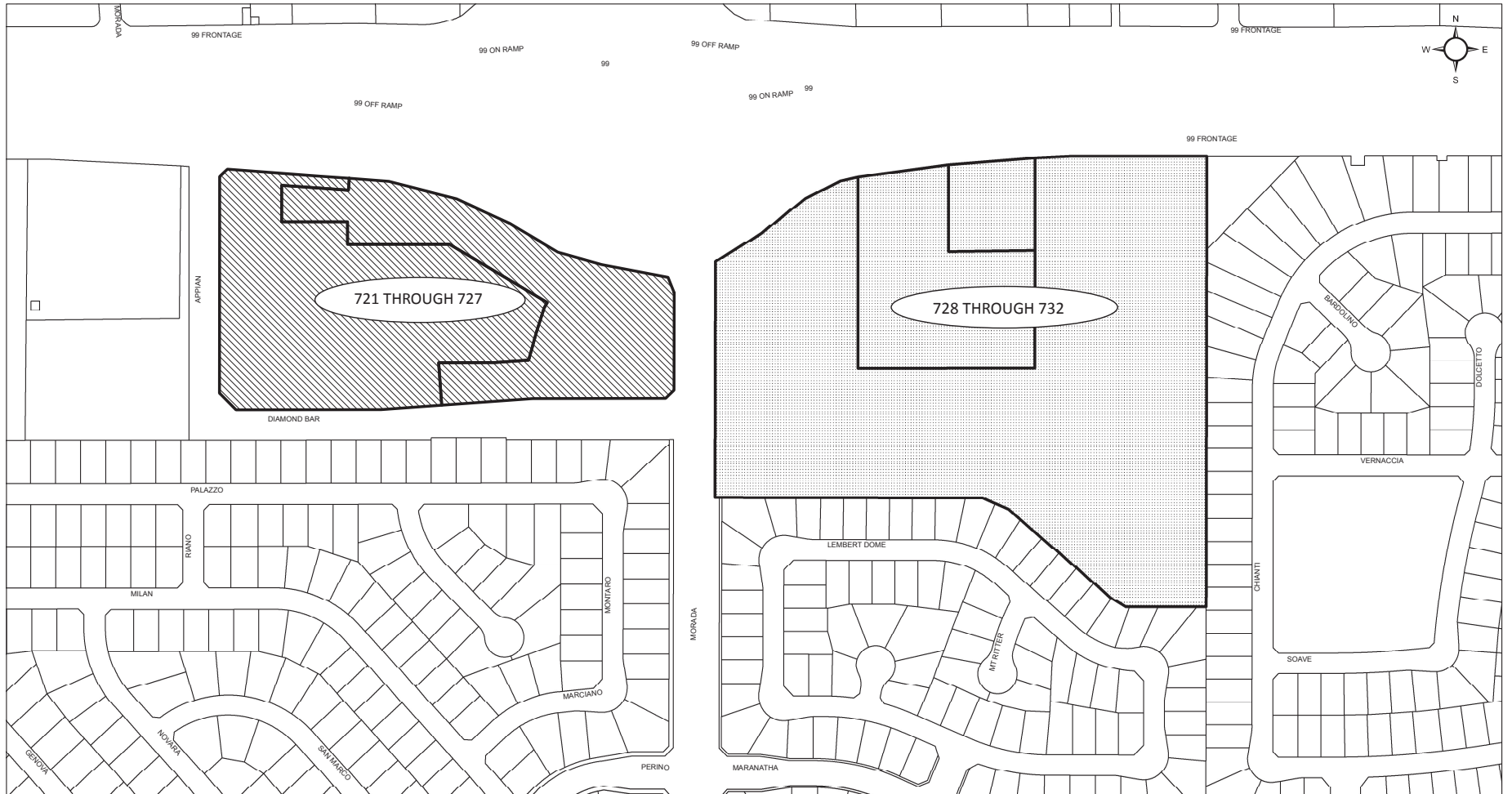


- REASSESSMENT DISTRICT PARCELS
- 1 REASSESSMENT NUMBERS

# REASSESSMENT DIAGRAM OF REASSESSMENT DISTRICT NO. 2014-1

CITY OF STOCKTON  
COUNTY OF SAN JOAQUIN  
STATE OF CALIFORNIA

SHEET 6 OF 13



- REASSESSMENT DISTRICT PARCELS
- ▨ REASSESSMENT NUMBERS 721 THROUGH 727
- ▤ REASSESSMENT NUMBERS 728 THROUGH 732

# REASSESSMENT DIAGRAM OF REASSESSMENT DISTRICT NO. 2014-1

CITY OF STOCKTON  
COUNTY OF SAN JOAQUIN  
STATE OF CALIFORNIA

SHEET 7 OF 13

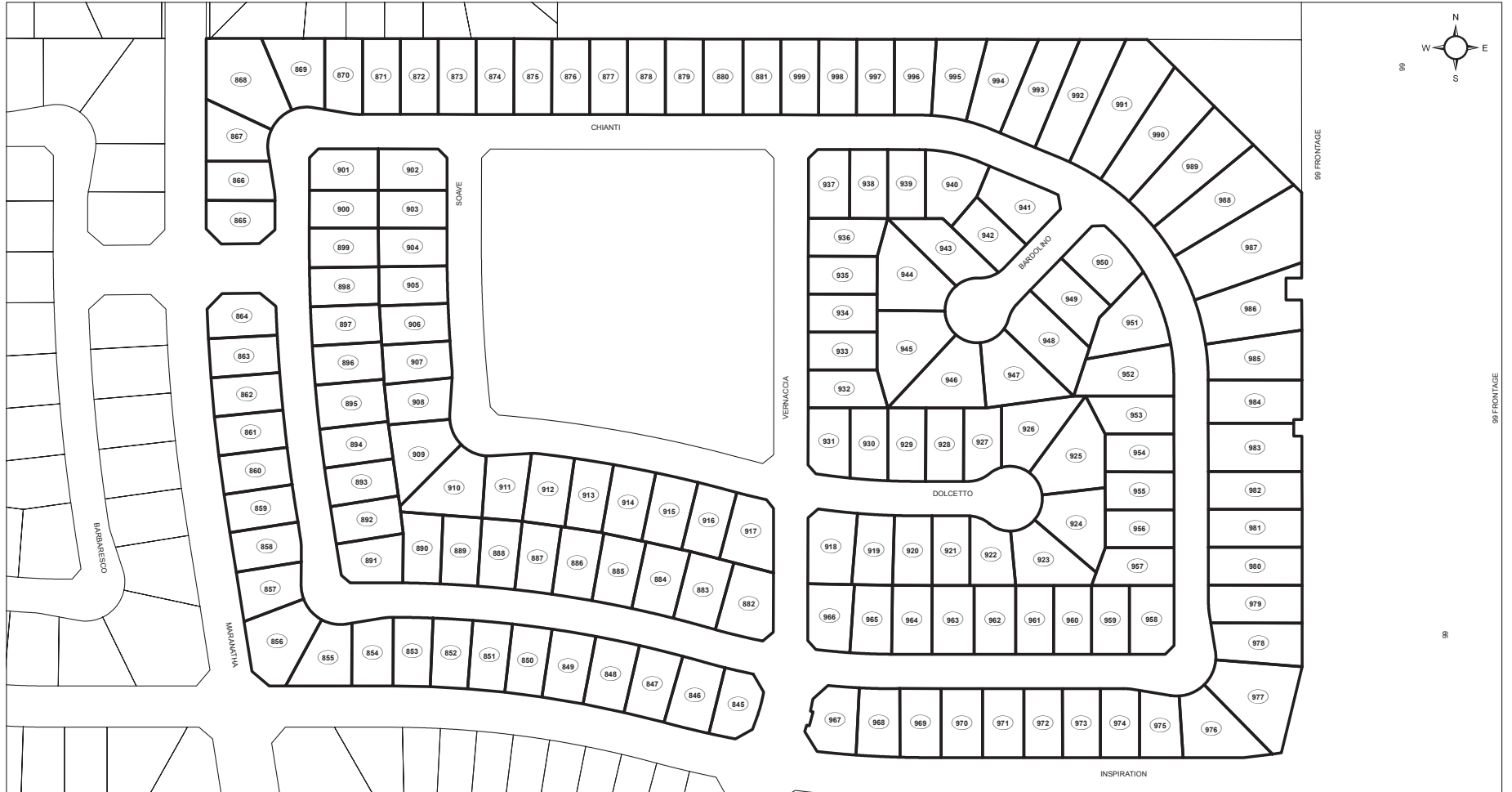


□ REASSESSMENT DISTRICT PARCELS

○ REASSESSMENT NUMBERS

# REASSESSMENT DIAGRAM OF REASSESSMENT DISTRICT NO. 2014-1

CITY OF STOCKTON  
COUNTY OF SAN JOAQUIN  
STATE OF CALIFORNIA



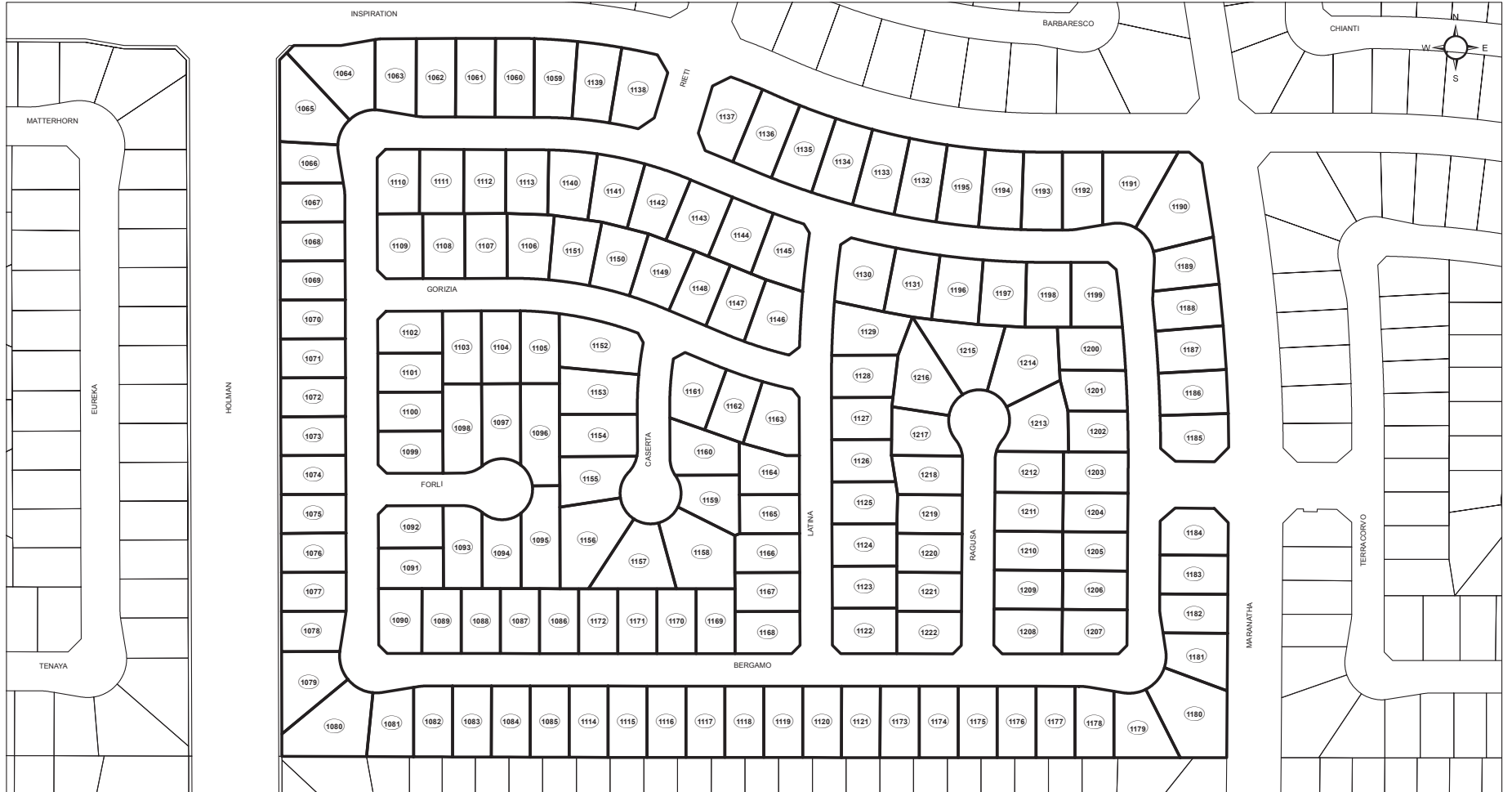
□ REASSESSMENT DISTRICT PARCELS

○ REASSESSMENT NUMBERS

# REASSESSMENT DIAGRAM OF REASSESSMENT DISTRICT NO. 2014-1

CITY OF STOCKTON  
COUNTY OF SAN JOAQUIN  
STATE OF CALIFORNIA

SHEET 9 OF 13



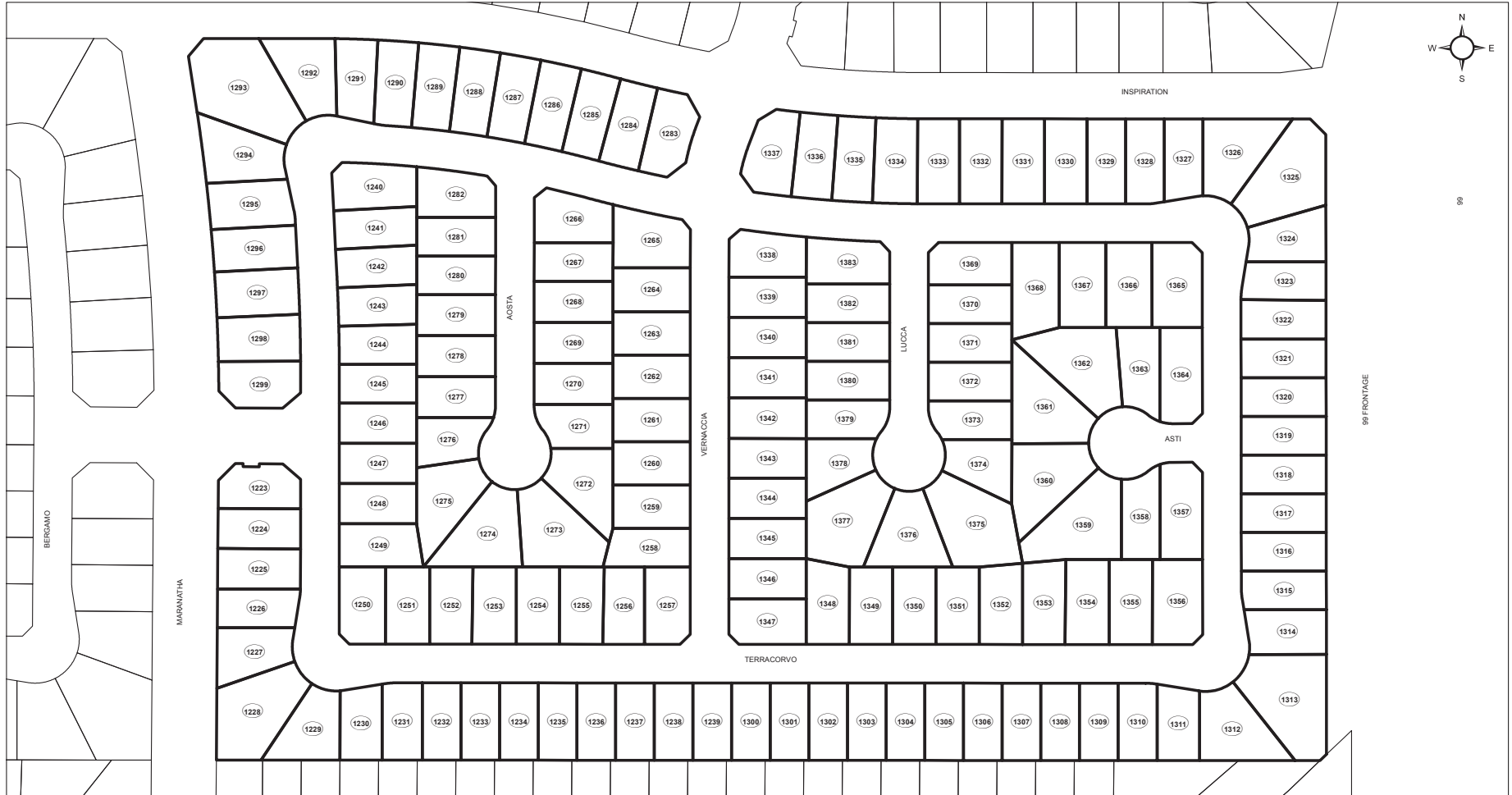
□ REASSESSMENT DISTRICT PARCELS

○ REASSESSMENT NUMBERS

# REASSESSMENT DIAGRAM OF REASSESSMENT DISTRICT NO. 2014-1

CITY OF STOCKTON  
COUNTY OF SAN JOAQUIN  
STATE OF CALIFORNIA

SHEET 10 OF 13



□ REASSESSMENT DISTRICT PARCELS

① REASSESSMENT NUMBERS









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