

RESOLUTION NO. 84-176

RESOLUTION AUTHORIZING ISSUANCE OF BONDS  
ASSESSMENT DISTRICT NO. 1984-1, HOPYARD ROAD

The City Council of the City of Pleasanton resolves:

Section 1. RECITALS. On February 28, 1984, the City Council of the City of Pleasanton adopted its resolution of intention to order improvements in Assessment District No. 1984-1, Hopyard Road under the provisions of the Municipal Improvement Act of 1913 (the "Act"). Proceedings taken under the Act led to the levy of a special assessment by the City Council against parcels of land within the assessment district in the total amount of \$18,488,000. These assessments will be recorded in the office of the County Recorder of the County of Alameda, and thereupon will become a lien on each parcel assessed. The period within which parcel owners might pay their assessments in cash without interest was waived and there remain unpaid assessments in the total amount of \$18,488,000.

Section 2. ISSUANCE OF BONDS. The City Council hereby authorizes the issuance of improvement bonds under the provisions of the Improvement Bond Act of 1915 to represent unpaid assessments. The bonds shall be designated, "Improvement Bonds, Assessment District No. 1984-1, Hopyard Road, City of Pleasanton, Alameda County, California." Bonds shall be issued in denominations of \$5000 or integral multiples thereof, and shall be dated May 2, 1984. Bonds shall mature and shall bear interest at the rates set forth in the table attached as Exhibit A.

**ORIGINAL**

Section 3. APPOINTMENT OF PAYING AGENT, REGISTRAR AND TRANSFER AGENT. The City Council hereby appoints Bank of America National Trust and Savings Association as paying agent, registrar and transfer agent for the bonds in accordance with an agreement between the City and Bank heretofore approved by the City Council.

Section 4. FORM AND EXECUTION. Bonds shall be issued as fully registered bonds in the form set forth as Exhibit B to this resolution. The bonds shall be signed by the City Treasurer and the City Clerk and the seal of the City shall be affixed. Both signatures and seal may be reproduced on the bonds by facsimile, but upon its registration or reregistration each bond shall be authenticated by the manual signature of the registrar.

The paying agent shall assign each bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof which shall be available to the City for inspection.

Section 5. ESTABLISHMENT OF SPECIAL FUNDS. For administering the proceeds of the sale of bonds and payment of interest and principal on the bonds, there are hereby established three funds to be known as the improvement fund, the redemption fund and the special reserve fund, respectively, for Assessment District No. 1984-1, Hopyard Road.

Section 5.1. IMPROVEMENT FUND. Except as provided in Section 5.3, proceeds of sale of the bonds, together with all amounts paid on the assessments prior to bond issuance, shall be

deposited in the improvement fund to be maintained by the Director of Finance. Disbursements from the improvement fund shall be made by the Director of Finance in accordance with the budget of estimated costs and expenses set forth in the engineer's report heretofore approved by the City Council, which report and budget are subject to modification by the City Council from time to time as prescribed by the Act.

Section 5.2. REDEMPTION FUND. The redemption fund shall be maintained by the Director of Finance. All payments of principal and interest installments on the assessments, together with penalties, if any, shall be deposited in the redemption fund, which shall be a trust fund for the benefit of the bondholders. Payment of the bonds at maturity, or at redemption prior to maturity, and all interest on the bonds shall be made from the redemption fund.

Section 5.3. SPECIAL RESERVE FUND. The special reserve fund shall be maintained by the Director of Finance. There shall be deposited into the special reserve fund the amount of \$1,109,280 from the proceeds of the sale of bonds. The special reserve fund shall be administered as follows:

A. During the term of the bonds, the amount in the special reserve fund shall be available for transfer into the redemption fund in accordance with Section 8808 of the Streets and Highways Code. The amount so advanced shall be reimbursed to the special reserve fund from the proceeds of redemption or sale of the parcel for which payment of delinquent assessment installments was made from the special reserve fund.

B. If any assessment is prepaid before final maturity of the bonds, the amount of principal which the assessee is required to prepay shall be reduced by an amount which is in the same ratio to the original amount of the special reserve fund, together with accrued interest, as the original amount of the prepaid assessment bears to the total amount of assessments originally levied in Assessment District No. 1984-1, Hopyard Road. This reduction in the amount of principal prepaid shall be balanced by a transfer from the special reserve fund to the redemption fund in the same amount.

C. The City Council reserves the right to make transfers from the reserve fund at any time, and from time to time, of interest accrued to the reserve fund, for the purpose of crediting installments of principal and interest on the assessments or for the purpose of advance retirement of bonds. Whenever required to prevent the reserve fund from exceeding the reserve limitations set by federal statute and regulation, the Director of Finance is directed to transfer accrued interest from the special reserve fund to the redemption fund from time to time, and to establish pro rata credits against annual installments of assessment principal and interest in the same amount in the year following the year of transfer.

D. When the amount in the special reserve fund equals or exceeds the amount required to retire the remaining unmatured bonds (whether by advance retirement or otherwise), the amount of the special reserve fund shall be transferred to the redemption fund, and the remaining installments of principal

and interest not yet due from assessed property owners shall be cancelled without payment.

Section 6. PAYMENT ON BONDS. The principal and interest on the bonds shall be payable at Bank of America National Trust and Savings Association, Main Office, San Francisco, California. Principal and interest shall be paid by check, draft or warrant mailed to the registered owner of each bond at the owner's address appearing on the register maintained by the registrar on the 15th day preceding the date of interest payment or maturity of each bond.

Section 7. REREGISTRATION. Any bond may be registered to a new owner by completing the assignment certificate on the reverse of the bond and delivering the bond to the registrar. Upon reregistration, any bond may be replaced by one or more bonds of the same maturity and aggregate amount in denominations of \$5000 or any integral multiple thereof.

Section 8. COVENANTS. In the event of a default in the payment of any bond or any installment of interest thereon, bondholders shall have the remedies set forth in the Improvement Bond Act of 1915. In addition, the City Council makes the following covenants, which shall constitute a contract with the bondholders:

Section 8.1. FORECLOSURE OF LIENS. If any installment of the principal or interest of any assessment levied in Assessment District No. 1984-1, Hopyard Road, becomes delinquent, the City Council shall cause an action to be filed in the Superior Court of the County of Alameda to foreclose the

lien of the delinquent assessment under the authority of Section 8830 and following of the Streets and Highways Code of the State of California. This action shall be filed not later than one hundred fifty (150) days after the date of delinquency.

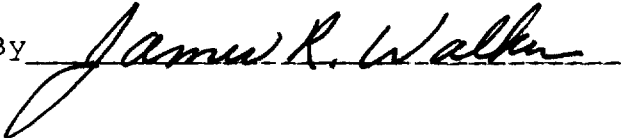
Section 8.2. ARBITRAGE. During the term of the bonds, the City will make no use of bond proceeds which, if such use had been reasonably expected at the date the bonds are issued, would have caused the bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and regulations of the Internal Revenue Service authorized thereby.

\* \* \*

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Pleasanton, Alameda County, California, at a regular meeting thereof, held on the 10th day of April, 1984.

AYES: Councilmembers Brandes, Butler, Mohr, Wood, and Mayor Mercer  
NOES: Councilmembers None  
ABSENT: Councilmembers None

JAMES R. WALKER, City Clerk,  
City of Pleasanton, Alameda  
County, California

By 

MATURITY SCHEDULE TO BE PROVIDED AFTER LETTER OF  
COMMITMENT TO PURCHASE IS RECEIVED -- PRIOR TO  
4/10 MEETING.

EXHIBIT A

United States of America  
State of California  
County of Alameda

REGISTERED

REGISTERED

Number

\$

IMPROVEMENT BOND  
CITY OF PLEASANTON  
ASSESSMENT DISTRICT NO. 1984-1  
SERIES NO. 1984-1

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
%	July 2, _____	May 2, 1984	_____

Under and by virtue of the Improvement Bond Act of 1915, Division 10, of the Streets and Highways Code, (the "Act"), the City of Pleasanton, County of Alameda, State of California, (the "City"), will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of assessments made for the acquisition, work and improvements more fully described in proceedings taken pursuant to Resolution of Intention No. 84-92, adopted by the City Council of the City of Pleasanton on the 28th day of February, 1984, pay to

or registered assigns, on the maturity date stated above, the principal sum of \_\_\_\_\_, in lawful money of the United States of America and in like manner will pay interest from the interest payment date next preceding the date on which this Bond is authenticated, unless this Bond is authenticated and registered as of an interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated and registered prior to January 2, 1985, in which event it shall bear interest from its date, until payment of such principal sum shall have been discharged, at the rate per annum stated above, payable semiannually on January 2 and July 2 in each year. Both the principal hereof and redemption premium hereon are payable at the principal corporate trust office of Bank of America National Trust and Savings Association-Corporate Agency Division, or its successor, as Transfer Agent, Registrar and Paying Agent, in San Francisco, California, and the interest hereon is payable by check or draft mailed to the owner hereof at the owner's address as it appears on the registration books of the Bank, or at such address as may have been filed with the Bank for that purpose, as of the fifteenth day immediately preceding each interest payment date.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH IN THE REVERSE SIDE HEREOF WHICH SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH HEREIN.

**EXHIBIT B**



This bond will continue to bear interest after maturity at the rate above stated, provided, it is presented at maturity and payment thereof is refused upon the sole ground that there are not sufficient moneys in said redemption fund with which to pay same. If it is not presented at maturity, interest thereon will run until maturity.

This Bond shall not be entitled to any benefit under the Act or the Resolution Authorizing Issuance of Bonds (the "Resolution of Issuance"), or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Bank.

IN WITNESS WHEREOF, said City of Pleasanton has caused this bond to be signed in facsimile by the Treasurer of said City and by its Clerk, and has caused its corporate seal to be reproduced in facsimile hereon all as of the 2nd day of May, 1984.

CITY OF PLEASANTON

  
Clerk

\_\_\_\_\_  
Treasurer

(SEAL)

Certificate of Authentication and Registration

This is one of the Bonds described in the within mentioned Resolution of Issuance, which has been registered on

Bank of America National Trust and Savings Association

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

(REVERSE OF BOND)  
CITY OF PLEASANTON  
STATE OF CALIFORNIA  
ADDITIONAL PROVISIONS OF THE BOND

This bond is one of several annual series of bonds of like date, tenor and effect, but differing in amounts, maturities and interest rates, issued by the City of Pleasanton under the Act and the Resolution of Issuance, for the purpose of providing means for paying for the improvements described in said proceedings, and is secured by the moneys in said redemption fund and by the unpaid portion of said assessments made for the payment of said improvements, and, including principal and interest, is payable exclusively out of said fund.

This Bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at said office of the Bank, subject to the terms and conditions provided in the Resolution of Issuance, including the payment of certain charges, if any, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds, of any authorized denomination or denominations, of the same maturity, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

Bonds shall be registered only in the name of an individual (including joint owners), a corporation, a partnership or a trust.

Neither the City nor the Bank shall be required to make such exchange or registration of transfer of bonds during the fifteen (15) days immediately preceding any January 2 or July 2.

The City and the Bank may treat the owner hereof as the absolute owner for all purposes, and the City and the Bank shall not be affected by any notice to the contrary.

This bond or any portion of it in the amount of \$5,000 or any integral multiple thereof, may be redeemed and paid in advance of maturity upon the second day of January or July in any year by giving at least 60 days' notice by registered mail to the registered owner hereof at such owner's address as it appears on the registration books of the Bank and by paying principal and accrued interest together with a premium equal to five percentum of the principal.

LEGAL OPINION

I hereby certify that the following is a correct copy of the signed legal opinion of STURGIS, NESS, BRUNSELL & SPERRY a professional corporation, Emeryville, California, on file in my office.

City Clerk

RESOLUTION NO. 84-177

RESOLUTION ORDERING SALE OF BONDS

ASSESSMENT DISTRICT NO. 1984-1, HOPYARD ROAD

The City Council of the City of Pleasanton resolves:

The City Council accepts the offer of Stone & Youngberg, (attached to this resolution and by reference incorporated in it), to purchase all of the improvement bonds to be issued in Assessment District No. 1984-1, Hopyard Road, City of Pleasanton, Alameda County, California.

The City Council directs the sale and delivery of the bonds to the offeror in accordance with the terms and conditions stated in the offer.

\* \* \*

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Pleasanton, Alameda County, California, at a regular meeting thereof, held on the 10th day of April, 1984.

AYES: Councilmembers Brandes, Butler, Mohr, Wood, and Mayor Mercer

NOES: Councilmembers None

ABSENT: Councilmembers None

JAMES R. WALKER, City Clerk,  
City of Pleasanton, Alameda  
County, California

By *James R. Walker*

**ORIGINAL**

\$18,488,000

CITY OF PLEASANTON IMPROVEMENT BONDS  
ASSESSMENT DISTRICT 1984-1, HOPYARD ROAD  
(ALAMEDA COUNTY, CALIFORNIA)

PURCHASE CONTRACT

April 10, 1984

City Council  
City of Pleasanton  
200 Bernal Avenue  
Pleasanton, California 94566

Dear Members of the City Council:

The undersigned, Stone & Youngberg (hereinafter called the "Underwriter"), offers to enter into the following agreement with the City of Pleasanton (hereinafter sometimes called the "City"), which, upon the City's acceptance of this offer, will be binding upon the City and upon the Underwriters. This offer is made subject to the City's acceptance of this Purchase Contract on or before 9:00 p.m. P.S.T., or as soon thereafter as possible, on April 10, 1984, and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice delivered to the City at any time prior to the acceptance hereof by the City.

1. Upon the terms and conditions, and upon the basis of representations set forth herein, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell and deliver to the Underwriter, \$18,488,000 aggregate principal amount of the City of Pleasanton Improvement Bonds, Assessment District 1984-1, Hopyard Road (hereinafter called the "Bonds"). The Bonds shall be dated May 2, 1984, and shall have the maturities and bear interest at the rates per annum shown on Exhibit A hereto, such interest being payable semiannually on January 2 and July 2, commencing January 2, 1985. The purchase price for the Bonds shall be \$17,794,700, plus interest, if any, accrued on the Bonds from May 2, 1984, to the date of the payment for and delivery of the Bonds pursuant to paragraph 9 hereof (such payment for and delivery of the Bonds, and the other actions contemplated hereby to take place at the time of such payment and delivery, is herein sometimes called the "Closing").

2. The Preliminary Offering Memorandum, including the cover page and appendices thereto, of Stone & Youngberg, dated April 10, 1984, relating to the Bonds (the "Preliminary Offering Memorandum"), as amended to conform to the terms

of this Purchase Contract, including Exhibit A hereto, and with such other changes and amendments as are mutually agreed to by the City and the Underwriter, is hereinafter called the "Offering Memorandum".

3. The Bonds shall be as described in the Offering Memorandum and shall be issued and secured under the provisions of a Resolution adopted by the City Council on April 10, 1984 (the "Resolution"), authorizing the issuance of the Bonds. The Bonds and interest thereon will be payable from unpaid special assessments (the "Assessments") levied and collected with interest, in accordance with the Resolution, and from the Reserve Fund as defined and provided in the Resolution establishing the Reserve Fund. Proceeds of the sale of the Bonds will be used by the City in accordance with the Resolution to acquire the Improvements (as defined in Resolution of Intention No. 84-92, adopted by the Council of the City on February 28, 1984), and as described in the Offering Memorandum. The Resolution, Resolution of Intention No. 84-92 and all actions, agreements and proceedings related thereto had and taken pursuant to the Municipal Improvement Act of 1913 (the "1913 Act"), the Improvement Bond Act of 1915 (the "Bond Law") and all other applicable laws are herein collectively referred to as the "Proceedings".

4. Any action under this Purchase Contract taken by Stone & Youngberg, including payment for and acceptance of the Bonds, and delivery and execution of any receipt for the Bonds and any other instruments in connection with the Closing, shall be valid and sufficient for all purposes and binding upon the Underwriter, provided that any such action shall not impose any obligation or liability upon the Underwriter other than as may arise as expressly set forth in this Purchase Contract.

5. It shall be a condition to the City's obligation to sell and deliver the Bonds to the Underwriter, and to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds, that the entire \$18,488,000 aggregate principal amount of the Bonds authorized by the Resolution shall be sold and delivered by the City, and purchased, accepted and paid for by the Underwriter, at the Closing. The Underwriter agrees to make a bonafide public offering of all of the Bonds, at not in excess of the initial public offering yields or prices set forth on the cover page of the Offering Memorandum, plus any interest accrued thereon from the date of the Bonds.

6. The City has furnished some, but not all, of the information contained in the Offering Memorandum and hereby authorizes the use of that information by the Underwriter in connection with the public offering and sale of the Bonds. The City approves and confirms the use by the Underwriter prior to the Closing of the Preliminary Offering Memorandum in connection with the public offering of the Bonds.

7. The City represents and warrants to the Underwriter that:

(a) The City is a municipal corporation duly organized and existing under the Constitution and laws of the State of California, and has, and at the date of the Closing will have, full legal right, power and authority (i)

to enter into this Purchase Contract, (ii) to adopt the Resolution and the other Proceedings relating to the Bonds, (iii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iv) to carry out and consummate the transactions contemplated by this Purchase Contract, the Resolution and the Offering Memorandum;

(b) The City has complied, and will at the Closing be in compliance, in all respects, with the Resolution, the 1913 Act, the Bond law and all other Proceedings;

(c) By official action of the City prior to or concurrently with the acceptance hereof, the City has duly adopted the Resolution, has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained in, the Bonds and this Purchase Contract, and has duly authorized and approved the performance by the City of its obligations contained in the Resolution and the other Proceedings, and the consummation by it of all other transactions contemplated by the Offering Memorandum, including, without limitation, the levy and collection of the Assessments and, upon recordation, the Assessments constitute valid and binding liens on the properties on which they have been levied;

(d) The execution and delivery of this Purchase Contract and the Bonds, the adoption of the Resolution and the other Proceedings, and compliance with the provisions of each thereof, and the carrying out and consummation of the transactions contemplated by the Offering Memorandum, will not conflict with or constitute a breach of or a default under any applicable law or administrative regulation of the State of California or the United States, or any applicable judgment, decree, agreement or other instrument to which the City is a party or is otherwise subject;

(e) To the knowledge of the City, at the time of the City's acceptance hereof and at all times subsequent thereto up to and including the time of the Closing, with respect to information describing the City and the Proceedings conducted by the City, the Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(f) Except as described in the Offering Memorandum, there is no action, suit, proceeding or investigation before or by any court, public board or body pending or, to the knowledge of the City, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the City or the titles of its Council members and officers to their respective offices, (ii) enjoin or restrain the issuance, sale and delivery of the Bonds, the levy and collection of the Assessments, or the pledge thereof, (iii) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the moneys pledged or to be pledged to pay the principal of, premium, if any, or

interest on the Bonds, (iv) in any way question or affect any authority for the issuance of the Bonds, or the validity or enforceability of the Bonds or the Proceedings, or (v) in any way question or affect this Purchase Contract or the transactions contemplated by this Purchase Contract, the Offering Memorandum, the documents referred to in the Offering Memorandum, or any other agreement or instrument to which the City is a party relating to the Bonds;

(h) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, as the Underwriter may reasonably request, to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, and will assist, if necessary therefor, in the continuance of such qualifications in effect as long as required for the distribution of the Bonds; provided, however, that the City shall not be required to qualify as a foreign corporation or to file any general consents to service of process under the laws of any state;

(i) The issuance and sale of the Bonds is not subject to any transfer or other documentary stamp taxes of the State of California or any political subdivision thereof;

(j) The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the City is a bond issuer whose arbitrage certifications may not be relied upon;

(k) Any certificate signed by any official of the City authorized to do so shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein; and

(l) The City will apply the proceeds of the Bonds, including the investment thereof, in accordance with the Proceedings and as described in the Offering Memorandum.

8. If between the date of this Purchase Contract and the date ninety (90) days after the Closing an event occurs which is materially adverse to the purpose for which the Offering Memorandum is to be used which is not disclosed in the Offering Memorandum, the City shall notify the Underwriter.

9. At 10:00 a.m., P.S.T., on May 2, 1984, or at such other time or on such other date as is mutually agreed by the City and the Underwriter, the City will deliver the Bonds to the Underwriter in definitive form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph 1 hereof with federal or other funds immediately available to the City. Delivery and payment, as aforesaid, shall be made at the office of Stone & Youngberg, One California Street, Suite 2800, San Francisco, California, or such other place as shall have been mutually agreed upon

by the City and the Underwriter. The Bonds shall be printed or lithographed on steel engraved borders, shall bear CUSIP numbers and shall be prepared and delivered as fully registered Bonds in authorized denominations, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging.

10. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the City contained herein and to be contained in the documents and instruments to be delivered at the Closing, and upon the performance by the City of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be subject to the performance by the City of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

(a) The representations and warranties of the City contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of the Closing the Proceedings shall be in full force and effect, and shall not have been amended, modified or supplemented, and the Offering Memorandum shall not have been amended, modified or supplemented, except in either case as may have been agreed to by both the City and the the Underwriter;

(c) At the time of the Closing, all official action of the City relating to the Proceedings shall be in full force and effect, and there shall have been taken all such actions as, in the opinion of Sturgis, Ness, Brunsell & Sperry, Bond Counsel ("Bond Counsel"), shall be necessary or appropriate in connection therewith, with the issuance of the Bonds and with the transactions contemplated hereby, all as described in the Offering Memorandum;

(d) The legal action and referendum described in the Preliminary Offering Memorandum under the caption "Superior Court Action and Referendum" shall both have been resolved and terminated substantially in the manner and with the result described under such caption;

(e) The Underwriter shall have the right to terminate the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds by notifying the City of their election to do so if, after the execution hereof and prior to the Closing: (i) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State of California, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of



the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State of California, or by a tentative decision with respect to legislation reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or the Senate of the Congress of the United States or either house of the Legislature of the State of California, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State of California by the Governor of the State of California in an executive communication, affecting the tax status of the City, its property or income, its bonds (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by the Bond Law; (ii) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency, or there shall have occurred any other outbreak of hostilities, or a local, national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds (it being agreed by the Underwriter that there is no outbreak, calamity or crisis of such a character as of the date hereof); (iii) there shall have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York State or California State authorities; (iv) there shall have occurred a withdrawal or downgrading of any rating assigned to any securities of the City by a national municipal bond rating agency; (v) any of the proposed developments described in the Offering Memorandum shall have been repudiated by the applicable developer, or, except as described in the Offering Memorandum, any litigation or proceedings shall be pending or threatened questioning the proposed developments or seeking to enjoin the development thereof, or the City shall have received notice from the applicable developer that it will be unable to proceed with the development as described in the Offering Memorandum; (vi) any Federal or California court, authority or regulatory body shall take action materially and adversely affecting the ability of a developer to proceed with the development as contemplated by the Offering Memorandum; (vii) an event described in paragraph 8 hereof occurs which in the opinion of the Underwriter requires a supplement or amendment to the Offering Memorandum, and such supplement or amendment is not agreed to by the City; and

(f) At or prior to the Closing, the Underwriter shall have received each of the following documents:

(1) Opinions, in form and substance satisfactory to the City and the Underwriter, dated as of the Closing Date, of (a) Sturgis, Ness, Brunsell & Sperry, Bond Counsel, approving, without qualification, the validity of the Bonds and the exemption of the interest thereon from federal and state personal income taxation, as described in the Offering Memorandum;

(2) A letter of Bond Counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the opinion referred to in the preceding subparagraph (1) may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them;

(3) A supplementary opinion, dated the date of the Closing and addressed to the Underwriter, of Bond Counsel to the effect that (i) this Purchase Contract has been duly authorized, executed and delivered by, and, assuming due authorization, execution and delivery by the Underwriter, constitutes a legal, valid and binding agreement of the City enforceable in accordance with its terms, except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought; (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended; (iii) the proposed initiative amendment to Article XIII A of the California Constitution (commonly known as the "Jarvis 'Save 13' Amendment") which may be submitted to the statewide electorate at the November 1984 general election, will not, if enacted, impair the validity or enforceability of the Bonds or the assessments securing payment of the Bonds; and (iv) the Bonds conform as to form and tenor to the description thereof contained under the caption "The Bonds" in the Offering Memorandum, and the statements contained therein under the captions "The Bonds"; "The Improvement Project"; "Bondholders' Risks"; and "Tax Exemption" insofar as such statements purport to summarize certain provisions of the 1913 Act, the Bond Law, the Bonds, the Resolution, the Proceedings or applicable provisions of the United States Internal Revenue Code, present a fair and accurate summary of such provisions; and, in connection with Bond Counsel's participation in the Proceedings and in the preparation of the Offering Memorandum, but without undertaking independently to verify the accuracy or completeness of the statements in the Offering Memorandum, Bond Counsel has no reason to believe that the Offering Memorandum, as of the date of Closing, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(4) A certificate dated the date of the Closing, addressed to the Underwriter and signed by the Mayor of the City; by the City Clerk or Deputy City Clerk of the City and by the City Manager to the effect that:

(i) The representations and warranties of the City contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing;

(ii) Except as described in the Offering Memorandum, there is no action, suit, proceeding or investigation before or by any court, public board or body pending or threatened, wherein an unfavorable decision, ruling or finding would: (A) affect the creation, organization, existence or powers of the City, or the titles of its Council members and officers to their respective offices, (B) enjoin or restrain the issuance, sale and delivery of the Bonds, the levy or collection of the Assessments or any other moneys or property pledged or to be pledged under the Resolution, or the pledge thereof, (C) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the Assessments or moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds, (D) in any way question or affect any authority for the issuance of the Bonds, or the validity or enforceability of the Bonds or the Proceedings, or (E) in any way question or affect this Purchase Contract or the transactions contemplated by this Purchase Contract, the Proceedings, the Offering Memorandum or the documents referred to in the Offering Memorandum;

(iii) The City has complied with all agreements, covenants and arrangements, and satisfied all conditions, on its part to be complied with or satisfied at or prior to the Closing; and

(iv) To the best of their knowledge, no event affecting the City has occurred since the date of the Offering Memorandum which should be disclosed in the Offering Memorandum for the purposes for which it is necessary to disclose therein in order to make the statements not misleading in any respect;

(5) An opinion, dated the date of Closing and addressed to the Underwriter, of Peter D. MacDonald, as City Attorney, that, except as described in the Offering Memorandum, there is no action, suit, proceeding or investigation before or by any court, public board or body pending or threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the City, or the titles of its Council members and officers to their respective offices; (ii) enjoin or restrain the issuance, sale and delivery of the Bonds, the collection of any other moneys or property pledged or to be pledged under the Resolution or the pledge thereof; (iii) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the Assessments or the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds; (iv) in any way question or affect any authority for the issuance of the Bonds, or the validity or enforceability of the Bonds; or (v) in any way question or affect this Purchase Contract or the transactions contemplated by this Purchase Contract, the Offering Memorandum or the documents referred to in the Offering Memorandum;

(6) A Certificate dated the date of Closing, addressed to the Underwriter and signed by an officer of Cushman & Wakefield of California, Inc., Appraisal Division, San Francisco, California, to the effect (i) that the statements and information set forth in the Offering Memorandum under the caption "Appraisal" and in the "Certificate of the Appraisal", attached to the Offering Memorandum as Appendix C, fairly and accurately describes the Appraisal Report, dated March 15, 1984, relating to the properties assessed in the Proceedings, (ii) that the Appraisal Report is referred to in the Offering Memorandum with its consent and (iii) that, in connection with its participation in the preparation of the Offering Memorandum, it has no reason to believe that the Offering Memorandum, as of the date of Closing, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(7) A Certificate dated the date of Closing, addressed to the Underwriter and signed by an officer of Bissell & Karn, Inc., San Leandro, California, as the "Engineer of Work" for the Proceedings, to the effect that the statements and information in the Offering Memorandum as set forth under the captions "The Improvement Project" and "The District" and in Appendix A thereto - "Assessment Diagram" and Appendix B thereto - "Description of Work", fairly and accurately describe the matters intended to be described therein and that, in connection with its participation in the preparation of the Offering Memorandum, it has no reason to believe that the Offering Memorandum, as of the date of Closing, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(8) A Certificate dated the date of Closing, addressed to the Underwriter and signed by an officer of The Prudential Insurance Company of America ("Prudential") substantially to the effect that Prudential has provided the information set forth in the Offering Memorandum describing Prudential and the development undertaken and proposed to be undertaken by Prudential, that such information fairly and accurately describes Prudential and the development undertaken and proposed to be undertaken by Prudential for the purposes intended thereby, that the Underwriter is authorized to use such information in the distribution of the Offering Memorandum and that, in connection with Prudential's participation in the preparation of the Offering Memorandum, it has no reason to believe that the Offering Memorandum, as of the date of Closing, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(9) A Certificate dated the date of Closing, addressed to the Underwriter and signed by an officer of Callahan Pentz Properties, Pleasanton ("C.P.P.") substantially to the effect that C.P.P. has provided the information set forth in the Offering Memorandum describing C.P.P. and the development undertaken and proposed to be undertaken by C.P.P., that such information fairly and accurately describes C.P.P. and the development undertaken and proposed to be undertaken by C.P.P. for the purposes intended thereby, that the Underwriter is authorized to use such information in the distribution of the Offering Memorandum and that, in connection with C.P.P.'s participation in the preparation of the Offering Memorandum, it has no reason to believe that the Offering Memorandum, as of the date of Closing, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(10) An opinion, dated the date of the Closing, of counsel to either Prudential or C.P.P., who is familiar with the legal action described in the Offering Memorandum under the caption "Superior Court Action and Referendum", which opinion shall be substantially to the effect that the statements and information relating to the legal action and referendum described under such caption fairly and accurately describe such legal action and referendum as it affects or may affect the developments and proposed developments of Prudential and C.P.P. as such developments are described elsewhere within the Offering Memorandum that, upon review of the Offering Memorandum, such counsel has no reason to believe that the Offering Memorandum, as of the date of Closing, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(11) An opinion of Jones Hall Hill & White, A Professional Law Corporation, dated the date of Closing and addressed to the Underwriter, as to such matters as the Underwriter shall reasonably request. In rendering such opinion, Jones Hall Hill & White may rely as to applicable matters of California law and federal tax and securities law upon the opinions of Sturgis, Ness, Brunsell & Sperry, Bond Counsel and of the City Attorney, as appropriate; and

(12) Such additional legal opinions, certificates, instruments and documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the City's representations and warranties contained herein and of the statements and information contained in the Offering Memorandum.

In addition to the foregoing, the City shall as soon as practicable provide the Proceedings, certified by authorized officers of the City under its seal as true copies and as having been adopted or executed (as applicable), with only such amendments, modifications or supplements as may have been agreed to by the Underwriter.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter, but the approval of the Underwriter shall not be unreasonably withheld. Receipt of, and payment for, the Bonds shall constitute evidence of the satisfactory nature of such as to the Underwriter. The performance of any and all obligations of the City hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in its sole discretion.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate, and neither the Underwriter nor the City shall be under further obligation hereunder, except that the respective obligations of the City and the Underwriter set forth in paragraphs 11 and 13 hereof shall continue in full force and effect.

11. (a) The Underwriter shall be under no obligation to pay, and the City shall pay the following expenses incident to the performance of the City's obligations hereunder: (i) the cost of the preparation and printing of the Bonds; (ii) the fees and disbursements of Sturgis, Ness, Brunsell & Sperry, Bond Counsel and of the City Attorney; (iii) the fees and disbursements of accountants, advisers and of any other experts or consultants retained by the City, including the fees and expenses of the Engineer of Work for the Proceedings and the Appraiser for the Proceedings.

(b) The Underwriter shall pay the following expenses: (i) the cost of preparation, printing and mailing of the Preliminary and Final Offering Memorandums; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses (including out-of-pocket expenses and regulatory expenses) incurred by them or any of them in connection with their public offering and distribution of the Bonds, including the fees and disbursements of counsel retained by them.

12. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing at the City's address set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Stone & Youngberg, One California Street, Suite 2800, San Francisco, California, Attention: David Hartley.

13. This Purchase Contract is made solely for the benefit of the City and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Underwriter or (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract. The agreements contained in this paragraph and in paragraph 11 shall survive any termination of this Purchase Contract.

14. This Purchase Contract shall become effective upon the execution of the acceptance hereof by the Mayor of the City, and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

STONE & YOUNGBERG

By 

Accepted:

This 10th day of April, 1984

CITY OF PLEASANTON

By   
Mayor

CITY OF PLEASANTON  
(ALAMEDA COUNTY, CALIFORNIA)

Exhibit A to the Purchase Contract for the \$18,488,000 principal amount of  
City of Pleasanton Improvement Bonds Assessment District 1984-1, Hopyard Road.

Maturity Schedule

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1985	\$158,000	7.000%
1986	385,000	7.500
1987	415,000	8.000
1988	450,000	8.500
1989	485,000	9.000
1990	530,000	9.200
1991	580,000	9.400
1992	630,000	9.600
1993	695,000	9.750
1994	760,000	9.900
1995	835,000	10.000
1996	920,000	10.000
1997	1,010,000	10.100
1998	1,115,000	10.100
1999	1,225,000	10.200
2000	1,350,000	10.200
2001	1,490,000	10.300
2002	1,645,000	10.300
2003	1,810,000	10.300
2004	2,000,000	10.300



In the opinion of Bond Counsel, interest on the Bonds is exempt from all present Federal income taxes and from State of California personal income taxes under existing statutes, regulations and court decisions, and the Bonds are exempt from all California taxes except franchise taxes. Interest, however, may become federally taxable upon any Bond during any period in which the Bond owned by a substantial user of the facilities financed by the Bond proceeds, or by a related person, within the meaning of Section 103(b) of the Internal Revenue Code.

\$18,488,000

CITY OF PLEASANTON IMPROVEMENT BONDS  
ASSESSMENT DISTRICT NO. 1984-1, HOPYARD ROAD  
(ALAMEDA COUNTY, CALIFORNIA)

Dated: May 2, 1984

Due: July 2 as shown below

All of the acquisition of improvements shall be undertaken as provided by the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code). The Bonds are issued pursuant to provisions of the Improvement Bond Act of 1915 (Division 10 of the California Streets and Highways Code).

The Bonds are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof except for one Bond in an odd amount due in 1985. Principal of and premiums, if any, on the Bonds are payable at the Bank of America N.T. & S.A., Corporate Agency Division, San Francisco, California, Paying Agent, Register and Transfer Agent. Interest (other than the final payment of interest) is payable by check or draft mailed to the registered owners thereof semi-annually on January 2 and July 2 commencing January 2, 1985.

The Bonds are subject to redemption on any January 2 or July 2 in advance of maturity at the option of the Finance Director of the City upon giving 60 days prior notice and upon payment of the principal and interest accrued thereon to the date of redemption or earlier surrender, plus a redemption premium of five percent (5%) of the principal amount of the Bonds to be redeemed.

Under the provisions of the Improvement Bond Act of 1915, installments of principal and interest sufficient to meet annual Bond debt service are included on the regular county tax bills to owners of property against which there are unpaid assessments. These annual installments are to be paid into the Redemption Fund, to be held by the Finance Director of the City and used to pay debt service on the Bonds as it becomes due.

If a delinquency occurs in the payment of any assessment installment, the City, at the end of the fiscal year of delinquency, has a duty to transfer into the Redemption Fund the amount of the delinquency out of available funds of the City. Available funds consist of the balance in the Reserve Fund together with any surplus funds of the City not required for lawful municipal obligations. This duty of the City is continuing during the period of delinquency, until reinstatement, redemption or sale of the delinquent property. There is no assurance that funds will be available for this purpose and if, during the period of delinquency, there are insufficient available funds, a delay may occur in payments to the owners of the bonds.

To provide funds for payment of the Bonds and the interest thereon as a result of any delinquent installments, the City will establish a special Reserve Fund and deposit therein bond proceeds in the original amount of six percent (6%) of the aggregate principal amount of the Bonds. Additionally, the City has covenanted to initiate judicial foreclosure in the event of a delinquency and to commence the procedure within 150 days following such delinquency.

Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

The information set forth in this Offering Memorandum, including information under the heading "Bondowners'Risks" should be read in its entirety.

MATURITY SCHEDULE\*

Interest		Yield		Interest		Yield	
Due	Amount*	Rate	Yield	Due	Amount*	Rate	Yield
1985	\$158,000			1995	\$ 835,000		
1986	385,000			1996	920,000		
1987	415,000			1997	1,010,000		
1988	450,000			1998	1,115,000		
1989	485,000			1999	1,225,000		
1990	530,000			2000	1,350,000		
1991	580,000			2001	1,490,000		
1992	630,000			2002	1,645,000		
1993	695,000			2003	1,810,000		
1994	760,000			2004	2,000,000		

The Bonds are offered when, as and if issued and delivered to the Underwriters subject to the approval of Sturgis, Ness, Brunsell & Sperry a professional corporation of Emeryville, California, Bond Counsel and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Jones Hall Hill & White, A Professional Law Corporation, San Francisco, California. It is expected that the Bonds in definitive form will be available for delivery in San Francisco, California on or about May 2, 1984.

\*Preliminary. Subject to change.

STONE & YOUNGBERG

April \_\_\_\_\_, 1984

This Preliminary Offering Memorandum and the information contained herein is subject to completion or amendment without notice. These securities may not be sold nor may an offer to buy be accepted prior to the time the Offering Memorandum is delivered in final form. There is no assurance that this Preliminary Offering Memorandum constitutes 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 under the securities laws of any such jurisdiction.

CITY OF PLEASANTON  
MAYOR AND CITY COUNCIL

Robert Butler

Ken Mercer

Karin Mohr

Walt Wood

Frank Brandes

CITY STAFF

James R. Walker, City Manager

Peter D. MacDonald, City Attorney

Emily E. Wagner, Director of Finance

R. L. Warnick, Director of Public works

BOND COUNSEL

Sturgis, Ness, Brunsell & Sperry a professional corporation  
Emeryville, California

ENGINEER OF WORK

Bissell & Karn, Inc.  
Pleasanton, California

APPRAISER

Cushman & Wakefield of California, Inc., Appraisal Division  
San Francisco, California

PAYING AGENT, REGISTRAR AND TRANSFER AGENT

Bank of America, N.T. & S.A , Corporate Agency Division  
San Francisco, California

TO WHOM IT MAY CONCERN:

The purpose of this Offering Memorandum is to supply information to prospective purchasers of \$18,488,000 principal amount of Assessment District No. 1984-1, Hopyard Road Improvement Bonds ("The Bonds") proposed to be issued by the City of Pleasanton ("the City") pursuant to the Improvement Bond Act of 1915 ("the Bond Law").

The information set forth herein has been furnished by the City and from certain other sources which are believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Statements contained in this Offering Memorandum which involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to completion or amendment.

No dealer, broker, salesman or other person has been authorized by the Underwriters to give any information or to make any representations other than those contained in this Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Underwriters. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The summaries and references to the Bond Law, the Bond Resolution and to other statutes and documents referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each such statute and document.

The material contained in this Offering Memorandum has been prepared by Stone & Youngberg, Underwriters of the Bonds.

The Offering Memorandum does not constitute a contract between any bondholder and the City or the Underwriters.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE HOPYARD ROAD ASSESSMENT DISTRICT BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

## SUMMARY STATEMENT

THIS SUMMARY STATEMENT IS SUBJECT IN ALL RESPECTS TO THE MORE COMPLETE INFORMATION IN THIS OFFERING MEMORANDUM, INCLUDING THE COVER PAGE AND APPENDICES HERETO AND THE OFFERING OF THE BONDS TO POTENTIAL INVESTORS IS MADE ONLY BY MEANS OF THE ENTIRE OFFERING MEMORANDUM.

### Purpose

Proceeds from the City of Pleasanton Improvement Bonds, Assessment District No. 1984-1, Hopyard Road, will be used to finance the acquisition of certain public improvements as more fully described in the section herein entitled "The Improvement Project" and Appendix B herein entitled "Description of Work".

### Security for the Bonds

The Bonds are issued upon and secured by the unpaid assessments together with interest thereon, and said unpaid assessments together with interest thereon constitute a trust fund for the redemption and payment of the principal of the Bonds and the interest thereon. All the Bonds are secured by the monies in the Redemption Fund created pursuant to the assessment proceedings and by the unpaid assessments levied to provide for payment of said acquisition of improvements, and including principal and interest, are payable exclusively out of the Redemption Fund. The unpaid assessments represent fixed liens on the lots and parcels assessed. They do not, however, constitute a personal indebtedness of the respective owners of said lots and parcels.

The assessment lien of the Bonds is subordinate to the assessment lien of certain assessment bonds previously issued by the City. Refer to the section herein entitled "Bondowners' Risks".

If a delinquency occurs in the payment of any assessment installment, the City, at the end of the fiscal year of delinquency, has a duty to transfer into the Redemption Fund the amount of the delinquency out of available funds of the City. Available funds consist of the balance in the Reserve Fund together with any surplus funds of the City not required for lawful municipal obligations. This duty of the City is continuing during the period of delinquency, until reinstatement, redemption or sale of the delinquent property. There is no assurance that funds will be available for this purpose and if, during the period of delinquency, there are insufficient available funds, a delay may occur in payments to the owners of the Bonds.

A reserve fund ("the Reserve Fund") in the amount of six percent (6%) of the amount of Bonds issued (\$1,109,280) will be established from Bond proceeds. The Reserve Fund will be a source of available funds to advance to the Redemption Fund in the event of delinquent installments. Additionally, the City has covenanted to institute judicial foreclosure proceedings within 150 days following the date of a delinquency, and thereafter to prosecute diligently to completion, court foreclosure proceedings upon the lien of any and all delinquent unpaid assessments and interest.

For a more complete description see the sections herein entitled "Security for the Bonds", "Reserve Fund" and "Covenant to Commence Superior Court Foreclosure" herein.

Form of Bonds

The Bonds are issued only as fully registered Bonds in denominations of \$5,000 each or any integral multiple thereof except for one Bond in an odd amount due in 1985.

Redemption

Any Bond may be called for redemption prior to maturity on any January 2 or July 2 upon payment of 105 percent of par value, plus accrued interest to the date of redemption.

Assessment District

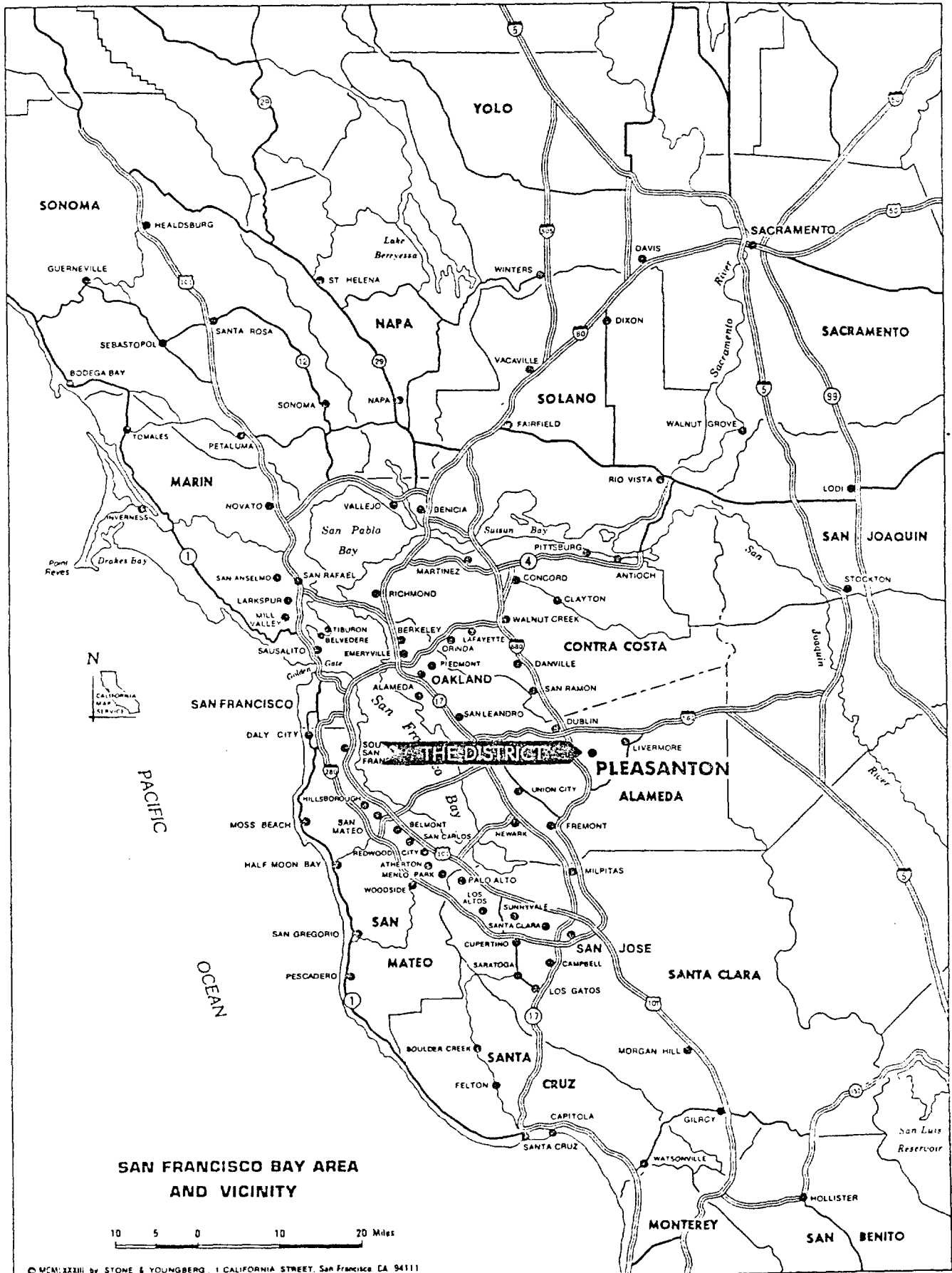
Assessment District No. 1984-1, Hopyard Road ("the District") is comprised of 36 assessed parcels totalling approximately 573 gross acres (492.197 net assessed acres) located in the northern portion of the City of Pleasanton ("the City"), in the southeast quadrant of the intersection of Interstate 580 and Hopyard Road. All of the property in the District is being developed as Phase I of Hacienda Business Park, a master-planned mixed-use business park which is being co-developed by The Prudential Insurance Company of America ("Prudential") and Callahan Pentz Properties, Pleasanton, a California general partnership ("CPP-Pleasanton"). An appraisal of the property in the District ("the Appraisal") has been prepared by Cushman & Wakefield of California, Inc., Appraisal Division, San Francisco, California. The appraised retail fair market value of the property in the District is predicated on the assumption that all required public improvements have been completed. According to the Appraisal, the estimated retail fair market value of the land in the District is \$232,860,000 which is 3.62 times the aggregate assessment of \$64,263,000 (which includes \$45,775,000 principal amount of bonds previously issued by the City and with respect to which the Bonds described herein are subordinate).

For more information on the District, Hacienda Business Park, the developers and the Appraisal, see the sections herein entitled "The District" and "Proposed Development and Property Ownership".

Bondowners' Risks

For a discussion of certain of the investment qualities of this issue, refer to the section herein entitled "Bondowners' Risks".

LOCATION MAP



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## INTRODUCTION

The City of Pleasanton ("the City") was incorporated June 18, 1894. The City is located in Alameda County ("the County") approximately 40 miles east of San Francisco. The City contains about 13 square miles and is situated in the southeast quadrant of the intersection of Interstate Highways 580 and 680.

Assessment District No. 1984-1, Hopyard Road ("the District") is comprised of 36 assessed parcels totalling approximately 573 gross acres (492.197 net assessed acres) located in the northern portion of the City, in the southeast quadrant of Interstate 580 and Hopyard Road. The District is bounded by the Arroyo Mocho Canal on the south, a Southern Pacific Transportation Company branch line right of way on the east and Hopyard Road on the west. For more information about the District see the section herein entitled "The District".

All of the property in the District is being developed as Phase I of Hacienda Business Park ("Hacienda"), a master-planned mixed-use business park which is being co-developed by The Prudential Insurance Company of America ("Prudential") and Callahan Pentz Properties, Pleasanton, a California general partnership ("CPP-Pleasanton"). For more information about Hacienda, Prudential, and CPP-Pleasanton, see the section herein entitled "Proposed Development and Property Ownership".

Bond proceeds will be used to finance the acquisition of off-tract and utility improvements as more fully described in the section herein entitled "The Improvement Project" and Appendix B herein entitled "Description of Work".

An appraisal of the property in the District ("the Appraisal") has been prepared by Cushman & Wakefield of California, Inc., Appraisal Division, San Francisco, California. The appraised retail fair market value of the property in the District is predicated on the assumption that all required public improvements have been completed. According to the Appraisal, the estimated retail fair market value of the land in the District is \$232,860,000 which is 3.62 times the aggregate assessment of \$64,263,000 (which includes \$45,775,000 principal amount of bonds previously issued by the City and with respect to which the Bonds described herein are subordinate). A letter from the Appraiser, which certifies the final value conclusion and sets forth certain conditions of the Appraisal is contained in Appendix C herein entitled "Certification of the Appraisal". A complete copy of the Appraisal is available for inspection at the City of Pleasanton.

Under the provisions of the Improvement Bond Act of 1915, installments of principal and interest sufficient to meet annual debt service on the Bonds are to be included on the regular county tax bills sent to owners of property against which there are unpaid assessments. These annual installments are to be paid into a redemption fund ("the Redemption Fund"), which will be held by the Director of Finance of the City and used to pay Bond principal and interest as they become due. The installments billed against each property each year represent a pro rata share of the total principal and interest coming due that year, based on the percentage which the unpaid assessment against that property bears to the total of unpaid assessments levied to repay the Bonds.

If a delinquency occurs in the payment of any assessment installment, the City, at the end of the fiscal year of delinquency, has a duty to transfer into the Redemption Fund the amount of the delinquency out of available funds of the City. Available funds consist of the balance in the Reserve Fund

together with any surplus funds of the City not required for lawful municipal obligations. This duty of the City is continuing during the period of delinquency, until reinstatement, redemption or sale of the delinquent property. There is no assurance that funds will be available for this purpose and if, during the period of delinquency, there are insufficient available funds, a delay may occur in payments to the owners of the Bonds. A Reserve Fund in the amount of six percent (6%) of the amount of Bonds issued will be established from Bond proceeds. The Reserve Fund will be a source of available funds to advance to the Redemption Fund in the event of delinquent assessment installments. Additionally, the City has covenanted to commence court foreclosure proceedings within 150 days following the date of a delinquency and, to prosecute diligently to completion the foreclosure of each and every delinquent assessment installment.

Property taxes for all assessed parcels in the District are paid current through and inclusive of the first tax installment for 1983/84.

This Introduction does not purport to describe in detail all pertinent matters relating to the Bonds, the Improvement Project, the District, the Appraisal or the Proposed Development and Property Ownership. Reference is hereby made to the entire Offering Memorandum including the section herein entitled "Bondowners Risks" for further information in connection herewith.

## THE BONDS

### Authority for Issuance

The improvement proceedings for the City of Pleasanton Assessment District No. 1984-1, Hopyard Road, are being conducted pursuant to the Municipal Improvement Act of 1913 ("the 1913 Act") and Resolution of Intention No. 84-92, adopted by the City Council on February 28, 1984. The Bonds, which represent the unpaid assessments levied against property in the District are issued pursuant to the provisions of the Improvement Bond Act of 1915 ("the Bond Law") and Resolution No. \_\_\_\_\_ adopted by the City Council on April 10, 1984, ("the Bond Resolution").

### Description of the Bonds

The \$18,488,000 principal amount of Bonds are dated May 2, 1984.

The Bonds are serial Bonds and mature in various amounts on each July 2 commencing July 2, 1985 and ending July 2, 2004. Interest is payable commencing on January 2, 1985, and semi-annually thereafter on July 2 and January 2 of each fiscal year until maturity. The Bonds are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof except for one Bond in an odd amount due in 1985. Principal of, interest at maturity or upon earlier redemption, as applicable, and premiums, if any, on the Bonds are payable at the Bank of America N.T. & S.A., Corporate Agency Division, San Francisco, California Paying Agent, Registrar and Transfer Agent. Interest (other than at maturity or upon earlier redemption) shall be paid by check or draft of the Paying Agent mailed to the registered owners (as shown on the registration books kept by the Paying Agent) as of the preceeding June 15 or December 15, as applicable. The Bonds mature in the amounts and on the dates as shown in the following maturity schedule.

<u>Due</u> <u>July 2</u>	<u>Amount</u> <u>Maturing*</u>	<u>Due</u> <u>July 2</u>	<u>Amount</u> <u>Maturing*</u>
1985	\$ 158,000	1995	\$ 835,000
1986	385,000	1996	920,000
1987	415,000	1997	1,010,000
1988	450,000	1998	1,115,000
1989	485,000	1999	1,225,000
1990	530,000	2000	1,350,000
1991	580,000	2001	1,490,000
1992	630,000	2002	1,645,000
1993	695,000	2003	1,810,000
1994	760,000	2004	2,000,000

\*Preliminary. Subject to change.

### Redemption of Bonds

Any Bond may be called for redemption prior to maturity on any January 2 or July 2 upon payment of 105 percent of par value, plus accrued interest to

the date of surrender or the date of redemption, whichever is earlier. No interest will accrue on a Bond beyond the January 2 or July 2 on which said Bond is called for redemption. Notice of redemption must be given by publication, personal service or registered mail at least 60 days prior to the redemption date. The determination as to which Bond or Bonds are to be called will be made by the Paying Agent. Development of parcels within the District, transfers of property ownership and other similar circumstances could result in prepayment of assessments. Such prepayment would result in redemption of a portion of the Bonds prior to their stated maturities.

#### Purpose of the Bonds

Proceeds from the sale of the Bonds will be used to finance the acquisition of certain public improvements as described in the section herein entitled "The Improvement Project" and Appendix B, "Description of Work".

#### Disposition of Surplus from the Improvement Fund

The amount of any surplus remaining in the Improvement Fund after completion of the improvement and payment of all claims shall be transferred to the general fund of the City if the surplus does not exceed the lesser of one thousand dollars (\$1,000) or five percent (5%) of the total amount expended from the Improvement Fund. Otherwise the entire surplus shall be applied as a credit on the assessment as provided in the 1913 Act.

#### Security for the Bonds

The Bonds are issued upon and secured by the unpaid assessments together with interest thereon and said unpaid assessments together with interest thereon constitute a trust fund for the redemption and payment of the principal of the Bonds and the interest thereon. All the Bonds are secured by the monies in the Redemption Fund created pursuant to the assessment proceedings and by the unpaid assessments levied to provide for payment of said acquisition and improvements. Principal of and interest on the Bonds are payable exclusively out of the Redemption Fund.

Although the unpaid assessments constitute fixed liens on the lots and parcels assessed, they do not constitute a personal indebtedness of the respective owners of said lots and parcels.

The unpaid assessments will be collected in annual installments, together with interest on the declining balances, on the tax roll on which general taxes on real property are collected 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 said general taxes, and the properties upon which the assessments were levied are subject to the same provisions for sale and redemption as are properties for nonpayment of general taxes.

#### Obligation of the City Upon Delinquency

If a delinquency occurs in the payment of any assessment installment, the City, at the end of the fiscal year of delinquency, has a duty to transfer into the Redemption Fund the amount of the delinquency out of available funds

of the City. Available funds consist of the balance in the Reserve Fund together with any surplus funds of the City not required for lawful municipal obligations. This duty of the City is continuing during the period of delinquency, until reinstatement, redemption or sale of the delinquent property. There is no assurance that funds will be available for this purpose and if, during the period of delinquency, there are insufficient available funds, a delay may occur in payments to the owners of the Bonds. For information on City finances, see Appendix D herein.

The enactment of Article XIII A of the California Constitution (Proposition 13) and subsequent legislative enactments effectively repeal the otherwise mandatory duty on the part of the City, under the Bond Law, to levy and collect a special tax (in an amount necessary to meet delinquencies, but not to exceed ten cents on each \$100 of assessable property within the City in any one year) if surplus funds are not available to cover delinquencies.

As of April 2, 1984, the City had outstanding a total of approximately \$79.8 million principal amount of bonds issued under the Improvement Bond Act of 1915. There has never been a default in the payment of principal or interest on any of these bonds.

#### Reserve Fund

Out of the proceeds of assessments levied, the City Council will set aside a Reserve Fund in the amount of six percent (6%) of the principal amount of the Bonds. The City has covenanted to the Bondowners to establish the Reserve Fund in this amount and to use the fund only to make temporary advances to the Redemption Fund if delinquencies occur in the payment of assessment installments. Advances from the Reserve Fund will be restored to that fund upon reinstatement, redemption or sale of the delinquent property. However, the City reserves the right to transfer accruals of interest from the Reserve Fund to reduce assessment installments or to call Bonds. Whenever the balance in the Reserve Fund is sufficient to retire all outstanding Bonds, whether by advance retirement or otherwise, collection of the principal and interest on the assessments will be terminated and the Reserve Fund will be liquidated in retirement of the Bonds.

#### Covenant to Commence Superior Court Foreclosure

The Bond Law provides that in the event any assessment 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 assessment. In such an action, the real property subject to the unpaid assessment may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. However, by the Resolution providing for the issuance of Bonds, the City covenants with the owners of the Bonds that, in the event any assessment or installment thereof, including any interest thereon, is not paid when due, it will order, and cause to be commenced within 150 days following the date of delinquency, and thereafter diligently prosecute to completion, court foreclosure proceedings upon the lien of any and all delinquent unpaid assessments and interest. In the event such Superior Court foreclosure or foreclosures are necessary, there may be a delay in payments to Bondowners

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 the section herein entitled "Bondowners' Risks".

#### Bonds are Subordinate Lien Bonds

The assessment (and any reassessment) and each installment thereof and any interest and penalties thereon constitute a lien against the lots and parcels of land on which they were imposed until the same is 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.

In May 1983 the City of Pleasanton issued \$45,775,000 principal amount of 1915 Act Improvement Bonds to finance the acquisition of various street and utility improvements to the land comprising Phase I of Hacienda Business Park. The boundaries of this assessment district (Assessment District No. 1983-2 (Hacienda Business Park)) are coterminous with the boundaries of Assessment District No. 1984-1, Hopyard Road, securing repayment of the Bonds described herein. Accordingly, the bonds which were issued to finance Assessment District No. 1983-2 are secured by prior assessment lien against the land in the District and, therefore, have priority over the Bonds described herein being issued to finance Assessment District No. 1984-1, Hopyard Road.

#### Proposed Constitutional Amendment: "Jarvis 'Save 13' Amendment"

An initiative constitutional amendment commonly referred to as "Jarvis 'Save 13' Amendment" ("the Amendment") which would amend Article XIII A (adopted in 1978 and commonly referred to as "Proposition 13" or the "Jarvis-Gann Initiative") will probably qualify for and be submitted to the voters at the statewide general election in November 1984. If enacted by the voters, the effective date of the Amendment purports to be retroactive to August 15, 1983.

It is believed that, if judicially challenged, the purported retroactivity of the Amendment would be held by a court to be not constitutionally applicable to the assessments securing repayment of the Bonds. If, however, a court should hold the Amendment to be so applicable, the City is further of the opinion that the provisions of the Amendment will not impair the validity and enforceability of the assessments and the Bonds.

Finally, if for any cause the assessments are declared to be invalid or unenforceable by a court, the City is empowered to conduct reassessment proceedings directed to relieving such assessments in accordance with applicable law.

See also the section herein entitled "Bondowners' Risks".

Annual Debt Service

Table 1

\$18,488,000  
CITY OF PLEASANTON IMPROVEMENT BONDS  
ASSESSMENT DISTRICT NO. 1984-1, HOPYARD ROAD

Estimated Annual Debt Service\*

<u>Due July 2</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1985	\$ 158,000	(1)	
1986	385,000		
1987	415,000		
1988	450,000		
1989	485,000		
1990	530,000		
1991	580,000		
1992	630,000		
1993	695,000		
1994	760,000		
1995	835,000		
1996	920,000		
1997	1,010,000		
1998	1,115,000		
1999	1,225,000		
2000	1,350,000		
2001	1,490,000		
2002	1,645,000		
2003	1,810,000		
2004	2,000,000		

(1) Represents interest from May 2, 1984 to July 2, 1985.

\*Preliminary. Subject to change.

THE IMPROVEMENT PROJECT

Description

In general, the Improvement Project consists of the acquisition of various off-tract street and utility improvements to benefit the land comprising Phase I of the Hacienda Business Park. Public improvements to be acquired include grading, paving, curbs and gutters, a bridge, traffic signals, sound walls, landscaping, domestic water main services and hydrants, storm drains, sanitary sewer mains, underground electrical and telephone utilities and relocating utilities. A more detailed discussion of the Improvement Project is contained in Appendix B "Description of Work" herein. A copy of the Engineer's Report prepared by Bissell & Karn, Inc., Pleasanton, California, is available for inspection at the City of Pleasanton.

Table 2

IMPROVEMENT PROJECT COSTS

Acquisition of Improvements		\$16,370,000
Incidental Expenses		
Engineering Fee	\$30,000	
Legal Fee	157,440	
Appraisal	12,500	
City Administration Fee	100,000	
Bond Printing	15,000	
Miscellaneous	480	
Total Incidental Expenses		<u>315,420</u>
Total Project Cost		\$16,653,910
Bond Reserve Fund (6%)		1,109,280
Bond Discount (3.75%)		<u>693,300</u>
Total Amount of Bond Issue and amount to be assessed		<u>\$18,488,000</u>



### Method of Assessment

The 1913 Act provides that each parcel of land within an assessment district be assessed for its share of the costs of an improvement project in proportion to the estimated benefit received by each parcel from the public improvements to be installed. The 1913 Act does not provide a special benefit formula; that determination is made by the Assessment Engineer, subject to the approval of the legislative body.

Bissell & Karn, Inc., Pleasanton, California, Assessment Engineer for the Improvement Project have distributed the cost of the acquisition to the parcels in the District on the basis of acreage.

AERIAL PHOTO

[TO BE INCLUDED IN FINAL OFFERING MEMORANDUM]

## THE DISTRICT

### Introduction

The City of Pleasanton ("the City") was incorporated June 18, 1894. It is located in north central Alameda County ("the County") approximately 40 miles east of San Francisco. The City contains about 13 square miles and can be reached via Interstate Highways 580 and 680.

### Location

Assessment District No. 1984-1, Hopyard Road ("the District"), is comprised of 36 assessed parcels totalling approximately 573 gross acres (492.197 net assessed acres) located in the northern portion of the City in the southeast quadrant of the intersection of Interstate 580 and Hopyard Road.

### Description

The District is bounded by the Arroyo Mocho Canal on the south, a Southern Pacific Transportation Company branch line right of way on the east and Hopyard Road on the west. All of the property in the District is being developed as Phase I of Hacienda Business Park ("Hacienda"), a portion of a master-planned 860 acre mixed-use business park. For more information on the proposed development, see the section herein entitled "Proposed Development and Property Ownership".

### Existing Development in the Surrounding Area of the District

The Stoneridge Regional Shopping Center, a 1.2 million square foot shopping mall developed by Taubman and Associates, Inc. in 1978-79 is located in the southwest quadrant of Interstate 580 and Interstate 680. Major tenants include Macy's, Emporium-Capwell and J. C. Penney's. Satellite development around the Stoneridge Center includes a convenience shopping center anchored by Best Products, several banks, a Porsche-Audi dealership, three three-story office buildings, a restaurant and Kaiser-Permanente Hospital.

Existing development along Hopyard Road in the vicinity of Interstate 580 includes the Hopyard Office Center, Schoeber's Racquetball and Spa, Mobil and Chevron service stations, several restaurants and two motels. At the intersection of Hopyard Road and West Las Positas Boulevard, the southernmost entrance to Hacienda is a neighborhood shopping center known as Val Vista, with Lucky Market as the major anchor tenant; along with nine retail tenants, a Fotomat store and a free-standing retail/office building. Across the street from Val Vista is a Shell Service Station, a Bank of America branch office, a Department of Motor Vehicles testing station, a 7-11 grocery and a one-story office building. Across the Arroyo Mocho Canal is a small residential subdivision known as Parkside. The intersection of Valley Avenue and Hopyard Road is improved with commercial uses including the newly completed Hopyard Shopping Village, which is in its final phase of construction, and another medium sized neighborhood shopping center anchored by Alpha Beta Market and Thrifty Drug and Discount Store. There are ten satellite tenants and an Exxon Service Station on the corner.

Moving further south along Hopyard Road toward Main Street and First Street is downtown Pleasanton, often referred to as "Old Pleasanton", as it is characterized by turn-of-the-century buildings and a small town atmosphere. Most of "Old Pleasanton" is located in a small area of the central business district near the Alameda County Fairgrounds.

North of the downtown area along Main Street towards Santa Rita Road are two modern neighborhood shopping centers and Valley Business Park, a 58 net acre business and light industrial park currently available for building construction. On either side of Santa Rita Road are single and multi-family residential dwellings which were built in the 1960's. The portion of Valley Avenue between Hopyard Road and Santa Rita Road is a divided parkway bordered on both sides by single family homes constructed in the 1970's.

Hacienda Business Park is being co-developed by The Prudential Insurance Company of America ("Prudential") and Callahan Pentz Properties, Pleasanton, a California general partnership ("CPP-Pleasanton"). For more information on Prudential and CPP-Pleasanton, see the section herein entitled "Proposed Development and Property Ownership.

#### Availability of Public Utilities:

##### Electricity

Pacific Gas and Electric Company will provide electricity to the District.

##### Natural Gas

Pacific Gas and Electric Company will provide natural gas to the District.

##### Telephone Service

Pacific Bell will provide telephone service to the District.

##### Water

Off-Tract Water: Water is supplied to the North Pleasanton area under contract with Zone 7 of the Alameda County Flood Control and Water Conservation District. A study prepared for the City, a copy of which is available for inspection at the City, indicates that upgrading of the City's water distribution capacities would be required to accommodate the projected growth in the area. The City is committed to construct two reservoirs as needed, the first of which is in the accelerated design phase leading to early construction. The second reservoir is proposed to be constructed as demand warrants.

In-Tract Water: All in-tract water mains in the District have been installed and pressure tested.

It is believed that adequate off-tract and in-tract water capacity and distribution to Hacienda is currently provided and will continue to be provided in response to demand, although there is no assurance that this will happen.

### Sewers

The original sewer entitlement for Phase I of Hacienda Business Park by the City of Pleasanton was approximately 310,000 gallons per day ("GPD"). A portion of this entitlement has been allotted to buildings in Hacienda which have been completed, are under construction or which have been granted building permits. The remaining entitlement is expected to allow Phase I of Hacienda to proceed under its current development projections until 1985 or 1986, but will not be sufficient to allow total buildout of Hacienda. However, there is currently approximately 100,000 GPD of uncommitted sewer capacity within the City of Pleasanton which could be available to Hacienda Business Park.

The Livermore-Amador Valley Water Management Agency (LAVWMA) is proposing a project to add 4.4 million GPD capacity, of which the City would be allocated one third. This project requires voter approval and will be submitted in the June 1984 elections.

In summary, the existing sewer entitlement is expected to meet the needs of Hacienda until 1985 or 1986, although there is no guarantee that there will ultimately be sufficient sewer capacity to complete the build-out of Phase I. However, long term solutions for providing additional sewer entitlement to Hacienda are being studied by Prudential, CPP-Pleasanton and various governmental agencies. Documentation of these studies is available for inspection at the City. See also the section herein entitled "Bondowners' Risks".

### Property Tax Status

Property taxes against the parcels in the District have been paid current through the first installment of the 1983/84 tax year.

### The North Pleasanton Assessment District

All of the property in the Hopyard Road Assessment District is within the boundaries of a proposed larger assessment district known as the North Pleasanton Improvement District ("the NPID"), which is being formed to finance major traffic improvements in the North Pleasanton area. Said public improvements, which are expected to be constructed in phases over the next twelve years to coincide with the development of properties in the NPID, include freeway interchanges, off-ramps, additional traffic lanes and major thoroughfare access roads. The installation of these major traffic improvements is being required by the City as a prerequisite for the development of the properties included in the NPID.

It is anticipated that assessment bonds will be issued in series over the next seven to ten years to finance the proposed traffic improvements for the NPID. Said bonds, which will be issued pursuant to the 1915 Act, will create a lien against each property within the NPID for that property's proportionate share of the traffic improvements for the NPID.

The property in the NPID and surrounding areas (including the Hopyard Road Assessment District) is also subject to additional assessments for other public improvements required for the development of the property. The lien against the property within the Hopyard Road Assessment District created to finance the NPID improvements and any other public improvements will be in a

junior position to that lien which is hereby being created by the proceedings for the City of Pleasanton Improvement Bonds, Assessment District 1984-1, Hopyard Road.

The total amount of bonds to be issued to finance the NPID traffic improvements and any other necessary public improvements, and the timing thereof, have not yet been determined at the time of this writing and no assurance can be given as to if and when these public improvements will be constructed.

A copy of the North Pleasanton Area Improvement Plan Alternate B-3, which was approved by the City Council on November 28, 1981, is available for inspection at the City of Pleasanton.

See also section herein entitled "Bondowners' Risks".

The Appraisal

An appraisal of the property in the District ("the Appraisal") has been prepared by Cushman & Wakefield of California, Inc., Appraisal Division, San Francisco, California. The appraised retail fair market value of the sites in the District is predicated on the assumption that all required public improvements have been completed. According to the Appraisal, the estimated retail fair market value of the land in the District is \$232,860,000, which is 3.62 times the aggregate assessment of \$64,263,000 (which includes a prior and superior assessment of \$45,775,000 for the City of Pleasanton Improvement Bonds, Assessment District No. 1983-2 (Hacienda Business Park), issued in May, 1983.)

The estimated retail fair market value assigned to the sites in the District (with all required public improvements completed) was derived using the "market data" approach to value which is based on an analysis of comparable sales data. On the basis of these market data, the Appraiser assigned an estimated value per square foot for each of the four "highest and best uses" assigned to the parcels in the District, as follows:

Highest and Best Use	Land Area (Net Usable Acres)	Value/ Sq. Ft.	Total Est. Value
Retail/commercial	39.219	\$12.00	\$ 20,500,556
Midrise office	49.729	\$12.00	25,994,343
Office	88.446	\$11.00	42,379,785
Industrial R&D	314.803	\$10.50	143,984,596
TOTAL	492.197		\$232,859,280*

\*Rounded to \$232,860,000.

In addition to providing an estimate of the retail fair market value of the land in the District, the Appraisal includes detailed economic and demographic information about the San Francisco Bay Area Region, provides an analysis of the City's ability to absorb the proposed development for Hacienda Business Park, and analyzes Hacienda's relative position compared to concurrent development in the surrounding area.

A letter from the Appraiser which certifies the final value conclusion and sets forth certain conditions of the Appraisal is contained in Appendix C herein entitled "Certification of the Appraisal". A complete copy of the Appraisal, which includes the above-mentioned comparative analyses of the San Francisco Bay Area region, the City and the District, is available for inspection at the City of Pleasanton.

#### Assessment Data

The amount of the assessment against each parcel in the District is contained in Table 3 entitled "Assessment Data". Information regarding property ownership, net acreage and highest and best use of property is also contained in Table 3.

Table 3

CITY OF PLEASANTON IMPROVEMENT BONDS  
ASSESSMENT DISTRICT NO. 1984-1  
ASSESSMENT DATA

Assessment Parcel No.(1)	Property Owner(2)	Area (net acres)	Highest and Best Use	Assessment (A.D. No. 1984-1)	Prior Assessment (A.D. No. 1983-2)	Total Assessment
1	Prudential	20.578	Commercial	\$ 772,954.86	\$1,866,719.00	\$2,639,673.86
2	CPP-Pleasanton	5.255	Office	197,389.34	548,840.00	746,229.34
3	CPP-Pleasanton	4.028	Office	151,300.52	420,692.00	571,992.52
4	CPP-Pleasanton	4.051	Industrial/R&D	152,164.45	422,983.00	575,147.45
5A	Prudential)	10.127	Office/Comm.	250,201.79)	993,452.00	1,373,844.36
5B	Prudential)		Office/Comm	130,190.57)		
6	Prudential	33.364	Midrise/Office	1,253,225.09	3,026,664.00	4,279,889.09
7	Prudential	20.109	Industrial/R&D	755,338.19	1,824,084.00	2,579,422.19
8	Prudential	29.725	Industrial/R&D	1,116,536.26	2,696,249.00	3,812,785.26
9	Prudential	16.365	Midrise/Office	614,705.33	1,484,848.00	2,099,553.33
10	Prudential	33.412	Industrial/R&D	1,255,028.08	3,030,707.00	4,285,735.08
11	Prudential	34.499	Industrial/R&D	1,295,858.19	3,129,943.00	4,425,801.19
12A	Prudential)	8.369	Industrial/R&D	118,846.79)	758,963.00	1,073,321.02
12B	Prudential)		Industrial/R&D	195,511.23)		
13	Prudential	22.594	Office	848,680.25	2,049,384.00	2,898,064.25
14	Prudential	25.339	Office	951,788.47	2,298,574.00	3,250,362.47
15	Prudential	4.780	Industrial/R&D	179,547.30	433,693.00	613,240.30
16	CPP-Pleasanton	21.699	Industrial/R&D	815,062.08	2,266,277.00	3,081,339.08
17A	CPP-Pleasanton	8.437	Industrial/R&D	316,912.24	863,522.00	1,180,434.24
18C	Prudential )	11.687	Industrial/R&D	249,826.16)	1,060,343.00	1,499,332.38
18D	Prudential )		Industrial/R&D	1,352.24)		
18E	Crum & Forster )		Industrial/R&D	88,120.91)		
18F	Crum & Forster )		Industrial/R&D	99,690.07)		
19	Prudential	5.906	Industrial/R&D	221,842.33	550,570.00	772,412.33
20	Prudential	7.290	Office	273,828.41	661,198.00	935,026.41
21	Prudential	5.000	Office	187,810.98	453,540.00	641,350.98
22	Prudential	14.160	Office	531,880.69	1,284,541.00	1,816,421.69
23	Prudential	10.556	Industrial/R&D	396,506.54	957,433.00	1,353,939.54
24	Prudential	12.651	Industrial/R&D	475,199.34	1,147,449.00	1,622,648.34
25	Prudential	15.120	Industrial/R&D	567,940.40	1,371,647.00	1,939,587.40
26	Prudential	18.366	Industrial/R&D	689,867.28	1,666,044.00	2,355,911.28
27	Prudential	14.487	Industrial/R&D	544,163.53	1,314,311.00	1,858,474.53
28	CPP-Pleasanton	1.314	Office	49,356.73	137,233.00	186,589.73
29	Pacific Bell	1.649	Industrial/R&D	61,940.06	-0-	61,940.06



Table 3 (continued)

Assessment Parcel No.(1)	Property Owner(2)	Area (net acres)	Highest and Best Use	Assessment (A.D. No. 1984-1)	Prior Assessment (A.D. No. 1983-2)	Total Assessment
30A	CPP-Pleasanton	8.325	Industrial/R&D	\$ 209,409.24	\$ 869,476.00	\$ 1,182,181.28
30B	CPP-Pleasanton		Industrial/R&D	103,296.04		
31	Prudential	8.534	Industrial/R&D	320,555.78	774,032.00	1,094,587.78
32	Prudential	6.790	Industrial/R&D	255,047.31	615,991.00	871,038.31
33	Prudential	6.224	Industrial/R&D	233,787.11	564,536.00	798,323.11
34D	CPP-Pleasanton		Industrial/R&D	422,462.01		
34E	CPP-Pleasanton		Industrial/R&D	526,960.04		
34F	CPP-Pleasanton	26.934	Industrial/R&D	13,184.33	2,829,949.00	3,841,649.17
34G	CPP-Pleasanton		Industrial/R&D	49,093.79		
35	Prudential	4.701	Industrial/R&D	176,579.88	426,342.00	602,921.88
36	Prudential	3.444	Industrial/R&D	129,364.20	312,406.00	441,770.20
37	CPP-Pleasanton	6.328	Commercial	237,693.57	662,365.00	900,058.57
	TOTAL	492.197		\$18,488,000.00	\$45,775,000.00	\$64,263,000.00

(1) Refer to Appendix A "Assessment Diagram".  
 (2) Property Ownership is subject to change.

## PROPOSED DEVELOPMENT AND PROPERTY OWNERSHIP

Information in this section regarding proposed development and property ownership in the District is included because it is considered relevant to an informed evaluation and analysis of the Improvement Project. Although substantial planning, design and engineering have been completed for the Hacienda Business Park, and some construction has been completed or is underway on certain parcels in the District, no assurance can be given as to if or when the remaining proposed development will be completed. Information contained herein relating to the Major Landowners has been provided and reviewed by the respective Major Landowners.

### Proposed Development

All of the property in the District is being developed as Phase I of Hacienda Business Park ("Hacienda"), the first phase of a two-phased master-planned 860 gross acre mixed-use business park which is being co-developed by The Prudential Insurance Company of America ("Prudential"), and Callahan Pentz Properties, Pleasanton ("CPP-Pleasanton"). Hacienda (Phase I and Phase II) is projected to be completed in about twenty years and is expected to provide approximately 12 million gross square feet of office, commercial and industrial space.

When fully built out, Phase I is expected to provide approximately 7.35 million gross square feet of office, commercial, and industrial uses. Eleven buildings totaling 513,903 net rentable square feet have been completed. Eighteen buildings (including six buildings comprising a 168-room hotel with a restaurant and banquet facilities) are currently under construction and upon completion are expected to provide 938,866 net rentable square feet of facilities. An additional four buildings totalling 145,854 net rentable square feet are planned for occupancy over the next several years.

Table 4

## HACIENDA BUSINESS PARK BUILDING STATUS

Assessment Parcel No.	Property Owner	Building Type	No. of Buildings	Net Rentable Square Feet	Status	Expected Completion
3	CPP-Pleasanton	Three Story Garden Office	1	71,986	Completed	N/A
4	CPP-Pleasanton	One and Two Story R&D, Office, Light Manufacturing	2	62,496	Completed	N/A
5A	Prudential	168 room Hotel w/restaurant and banquet facilities	6	105,998	Planned	Summer 1985
9	Prudential	Five Story Midrise Office	1	287,708	Under Const.	Early 1985
12	Prudential	Two Story Office	1	45,000	Under Const.	Mid 1985
15	Prudential	One Story Office, R&D	1	63,934	Completed	N/A
17A	CPP-Pleasanton	One and Two Story Office	3	119,458	Completed	N/A
18C,D	Prudential	One and Two Story Office	2	104,239	Under Const.	Early 1984
18E,F	Crum & Forster	One Story Office	2	41,760	Completed	N/A
19	Prudential	One Story Office	1	82,944	Completed	N/A
23	Prudential	Two Story Office	1	55,000	Under const.	Early 1985
24	Prudential	One Story Office R&D, Light Manufacturing	2	52,781	Planned	Late 1988
29	Pacific Bell	Central Office	1	25,800	Completed	N/A
30A	CPP-Pleasanton	Office, R&D	2	85,090	Under Const.	Late 1984
30B	CPP-Pleasanton	Office, R&D	1	38,073	Planned	End 1984
33	Prudential	Office, R&D	2	90,807	Under const.	End 1984
34D,F	CPP-Pleasanton	Office, R&D	3	172,000	Under const.	Mid 1984
36	Prudential	One Story Office, R&D	1	45,525	Completed	N/A

## The Development Documents

The following three interrelated documents together are intended to satisfy the submittal requirements for the establishment of a Planned Unit Development, ("PUD") in Pleasanton, California:

- (1) The Development Plan. The Hacienda Business Park Development Plan ("the Development Plan"), dated May 1, 1982, was prepared by P.O.D. Inc., Landscape Architects, Fee and Munson, Architects, and Bissell & Karn, Inc., Civil Engineer. The Development Plan sets forth the development standards for Hacienda Business Park, proposed to be co-developed by The Prudential Insurance Company of America ("Prudential") and Callahan Pentz Properties, Pleasanton, a California general partnership ("CPP-Pleasanton"). The Development Plan includes a Land Use Plan for Hacienda, and addresses such concepts as landscaping, parking and vehicular and pedestrian circulation. Descriptions and diagrams of possible building designs which may be used in the various land use districts are also included in the Development Plan. The Development Plan was approved by the City Council on June 22, 1982 with the adoption of Ordinance No. 1040. However, see section below entitled "Superior Court Action and Referendum".
  
- (2) Declaration of Covenants, Conditions and Restrictions: The Declaration of Covenants, Conditions and Restrictions ("CC & R's") for Hacienda Business Park was recorded in the official records of Alameda County on September 17, 1982. The CC & R's set forth certain policies, procedures and regulations which must be adhered to in the development, construction and maintenance of Hacienda Business Park. The CC & R's outline the procedure for design review approval. Architectural and development standards are specified, including provisions for parcel size, utilities, parking areas, driveways, and special construction requirements. Allowable uses are listed for the following different planning districts:  
  
Retail/Commercial/Financial, General Office, Garden Office, Mid-Rise Office and R&D/Light Manufacturing. The CC & R's set forth provisions for the administration of the Hacienda Business Park Owner's Association, and the duties and powers thereof. Other items addressed in the CC & R's include the maintenance and repair of facilities, and remedies in the event of non-payment of liens and Association assessments.
  
- (3) The Design Guidelines: The Design Guidelines for Hacienda Business Park (the "Design Guidelines") were prepared by P.O.D., Inc., Landscape Architects, Fee and Munson, Architects, and Bissell and Karn, Inc., Civil Engineers. The Design Guidelines address such topics as site planning, building guidelines, landscaping and planting, parking areas, public service easements, signing and lighting.

A copy of the Development Plan, the Declaration of Covenants, Conditions and Restrictions and the Design Guidelines are available for inspection at the City of Pleasanton.

## Environmental Review

The Planning Department of the City of Pleasanton prepared a draft environmental impact report ("the E.I.R.") on Hacienda which was completed on March 16, 1982 and then circulated to public agencies and private citizens for comments. Comments were received and in May 1982, the City issued a final E.I.R. which incorporated its responses to comments on the draft E.I.R. A complete copy of the E.I.R. is available for inspection at the City of Pleasanton.

## Superior Court Action and Referendum

On July 29, 1982, Citizens for Balanced Growth, an unincorporated association ("CBG"), Petitioner, filed a petition for writ of mandate and complaint for injunctive relief against the City of Pleasanton and City Council of Pleasanton, Respondents, and The Prudential Insurance Company of America, a New Jersey corporation, and Callahan Pentz Properties, Pleasanton, a California General partnership, Real Parties in Interest. CBG's action challenged the legal sufficiency of the environmental documentation of the proposed Hacienda Business Park Phase I ("Hacienda"), in five causes of action, and in a sixth cause claimed that the City of Pleasanton's approval of Hacienda via Ordinance No. 1040, which included a Development Plan and P.U.D. rezoning, was inconsistent with the City's General Plan goal of "balanced growth".

This matter came for trial on December 22, 1982 at the Superior Court of the State of California, County of Alameda, South County Branch, in the courtroom of Judge Raymond L. Marsh. The court held against the petitioners on the first five counts of their petition but upheld their contention regarding inconsistency between the General Plan's Growth Management Element and the project approval. Supplemental proceedings were held on January 26, 1983 concerning the scope of injunctive relief at which time the court ordered that a preemptory writ of mandate be issued, commanding respondents to vacate and set aside their approval of Ordinance No. 1040, and issued an injunction enjoining the Respondents and the Real Parties in Interest from taking any action to approve, enforce, carry out or in any other manner allow the construction of any building pursuant to or in furtherance of the P.U.D. development plan and rezoning for the Hacienda Business Park Phase I, other than twelve (12) buildings for which the City Council had already approved building permits, unless and until either the Hacienda Business Park Phase I Development Plan or the General Plan was amended so that Hacienda was consistent with the General Plan. At subsequent court hearings, approval for projects totalling 33 buildings was granted. In response to the court's order, the City adopted a clarifying amendment to the General Plan Growth Management Element after preparation of a related E.I.R. and readopted Ordinance 1040 (now Ordinance 1109).

A referendum election to uphold or overturn the City Council's adoption of the General Plan Amendment was qualified and set for April 10, 1984. On

January 11, 1984, the court found that the City had complied with its writ of mandate and if the referendum vote upheld the Council's action, the writ would be discharged and the injunction dissolved. On April 10, 1984, the City Council action was upheld by the referendum vote and subsequently the writ was discharged and the injunction dissolved.

A stipulation by all parties to the lawsuit has been entered into which purports to restrict any further legal challenge in this action by either side to the determination of the trial court, and provides that the decision of the trial court shall be final and determinative as to all issues. Therefore, under the terms of this stipulation, which has been entered as an order of the court, all parties agree that there shall be no appeal by either side of the court's decision. See also section herein entitled "Bondowners' Risks".

### Property Ownership

Of the 492.197 net assessed acres in the District, the Prudential Insurance Company of America ("Prudential") owns 399.177 net acres securing an assessment of \$14,993,964.58 (81.1 percent of the aggregate assessment of \$18,488,000). Callahan Pentz Properties, Pleasanton ("CPP-Pleasanton") owns 86.371 net acres securing an assessment of \$3,244,284.88 (17.5 percent of the aggregate assessment of \$18,488,000). Together, Prudential and CPP-Pleasanton are referred to as "The Major Landowners". In addition, Crum & Forster own 5.00 net acres securing an assessment of \$187,810.98 (1.0 percent of the aggregate assessment of \$18,488,000), and Pacific Bell, a wholly owned subsidiary of Pacific Telesis, owns 1.649 acres securing an assessment of \$61,940.06 (.3 percent of the aggregate assessment of \$18,488,000). See the subsections below entitled "The Prudential Insurance Company of America", "Callahan Pentz Properties, Pleasanton", "Crum & Forster", and "Pacific Bell" for further information about the property owners.

Prudential intends to hold approximately 75 percent (+/- 300 acres) of the property it owns in the District and expects to sell the remaining approximately 25 percent (=/- 100 acres) to users or other developers. It is the intent of CPP-Pleasanton to build out and hold all of its property in the District for long term investment. However, the intentions of The Major Landowners are subject to change and could be affected by changes in economic and market conditions.

Table 5 shows a breakdown of net acreage, current, prior and total assessments for each of the four property owners.

Table 5

## SUMMARY OF PROPERTY OWNERSHIP, ACREAGES AND ASSESSMENTS

Property Owner	Net Acreage	Assessment (A.D. 1984-1)	Assessment (A.D. 1983-2)	Total Assessment	Percent of Total Assessmen
Prudential	399.177	\$14,993,964.58	\$36,300,154.00	\$51,294,118.58	79.82
CPP-Pleasanton	86.371	3,244,284.38	9,021,337.00	12,265,621.38	19.09
Crum and Forster	5.000	187,810.98	453,509.00	641,319.98	1.00
Pacific Bell	<u>1.649</u>	<u>61,940.06</u>	<u>-0-</u>	<u>61,940.06</u>	<u>.10</u>
TOTAL	492.197	\$18,488,000.00	\$45,775,000.00	\$64,263,000.00	+/-100.00

## The Prudential Insurance Company of America

The Prudential Insurance Company of America ("Prudential"), a New Jersey based corporation, provides a variety of financial services to over 50 million people. In addition to traditional life insurance, Prudential also offers property and casualty insurance, group pensions, health care programs, reinsurance, and investments (corporate loans, publicly traded bonds and preferred stocks, common stocks, mortgages and real estate). In 1981, Prudential acquired Bache Group, Inc., the parent company of one of the nation's largest investment brokerage firms. As a result of this acquisition, Prudential can offer retail securities and commodities brokerage services, institutional research and sales, corporate and municipal underwritings and investment banking services.

Prudential has over 26 million policyholders and over \$456.2 billion insurance in force. In 1982, insurance sales totalled \$67.1 billion and assets totalled \$72.2 billion.

### Prudential's Real Estate Activity

Prudential is one of the largest landlords in the United States with over 84 million square feet of office space, 51 million square feet of warehouses, 36 million square feet of showroom space, and 26 million square feet of retail space. Prudential also has a significant investment in hotels and agricultural land.

Since 1970, Prudential's real estate focus has changed significantly as a reflection of certain changes in the nation's economy, especially inflationary trends. In 1970, over 90% of Prudential's real estate assets were in mortgages, most of which were secured by single-family residences. Since then, Prudential has changed its focus to participatory commercial and industrial mortgages, then to joint ventures, and then to property acquisitions by purchase. Current emphasis is on development for Prudential's own account, which has led to Prudential's proposed development of Hacienda Business Park in Pleasanton. Hacienda is Prudential's strongest commitment in Northern California and is expected to be one of the largest multi-use business parks in the United States.

The San Francisco Real Estate Investment Office handles Prudential's real estate operations in Northern California. Recent development activity by Prudential in Northern California includes Moffett Park, a 521 gross acre industrial park in Sunnyvale, Oak Creek Business Park, a 277 gross acre park in Milpitas and Town Center Business Park, a 103 gross acre business park, also in Milpitas. Prudential was a joint venture partner with Embarcadero Center, a General Partnership, for the development of Embarcadero Center, which consists of four high-rise commercial and office buildings totalling 2.7 million square feet and an 801 room high-rise Hyatt Regency Hotel, located in the Financial District of downtown San Francisco. Prudential was also a joint venture partner with Southern Pacific Development Company for Pacific Gateway, a 30-story high-rise located in downtown San Francisco. The San Francisco Hilton, a joint venture of Prudential and Hilton Hotels Corporation is the largest hotel in the City of San Francisco, and consists of a 20-story hotel and a 48-story hotel tower, which together have a total of 1,704 rooms.



## Callahan Pentz Properties, Pleasanton

CPS, A Commercial Real Estate Company ("CPS") is a California Corporation which was founded in 1977 by Joseph W. Callahan, Jr. and George B. Pentz. CPS's original office is located in Sunnyvale, California. During the several years following its inception, CPS concentrated on brokering commercial and industrial real estate in the Bay Area. However, the desire to become actively involved in the development side of the real estate business led the founders to form a development affiliate known as Callahan Pentz Properties ("CPP"). An affiliated partnership known as Callahan Pentz Properties, Pleasanton ("CPP-Pleasanton") was created in 1980 to administer and manage CPP's development activity related to Hacienda Business Park.

In 1979 CPP acquired, subdivided and sold to Prudential 277 acres in Milpitas which was subsequently developed by Prudential into Oak Creek Business Park and was marketed through CPS. Construction and leasing activities began in the summer of 1979 and within three years, 3 million square feet of office and industrial space were completed and leased or sold.

The relationship between CPS/ CPP and Prudential has resulted in the development of over 6.5 million square feet of office and research and development space in the San Francisco Bay Area. In addition to Oak Creek Business Park, the two companies have worked together to develop and market Moffett Park, a 521 gross acre project in Sunnyvale, and Town Center Business Park, a 103 gross acre project in Milpitas. Prudential and CPP-Pleasanton's current co-development project is Hacienda Business Park, which is expected to be one of the largest contiguous business parks in Northern California.

CPS/ CPP opened an office in Pleasanton in 1981 to handle the marketing for Hacienda Business Park and to expand its overall brokerage activities in the East Bay.

The brokerage focus of CPS continues to be leasing and sales activities in the South Bay and East Bay, with emphasis on high technology and office clients. In 1983, the two offices of CPS leased over 2.6 million square feet of office and R&D space and sold over 183 acres of land and 11 buildings totalling 401,347 square feet.

Principals of CPS and partners of CPP involved in the development of Hacienda include the following individuals:

Joseph W. Callahan, Jr.. Mr. Callahan founded CPS, a Commercial Real Estate Company in 1977. He founded CPP-Pleasanton in 1978. Prior to his involvement at CPS, he was with Coldwell Banker Commercial Real Estate Services, Inc., in San Jose, California where he ranked second in sales nationwide. He received a Bachelor of Science Degree from the U.S. Naval Academy and received a graduate degree in Business Administration from George Washington University.

Patrick J. O'Brien. Mr. O'Brien joined CPS in 1983 after serving as the firm's independent Certified Public Accountant since inception. He maintained

an accounting practice in San Jose from 1970 until 1983. In 1972 he founded Pioneer Federal Savings and Loan Association and served as Chairman of the Board of Directors until 1981. He graduated from the University of Santa Clara with a Bachelor Degree in Accounting.

George J. Kallis. Mr. Kallis joined CPS March 1984. He was with Xerox Corporation in sales and Vice President of marketing from 1969 to 1976. He worked with Coldwell Banker Commercial Real Estate Services from 1976 to 1984 in sales, various management positions and as Vice President, Resident Manager of the San Gabriel Valley office. He received a Bachelor of Science Degree in Business Administration from the University of Maryland.

#### Crum and Forster

Crum and Forster, a major property and liability insurance company was acquired in January 1983 by Xerox Corporation, a leading manufacturer of copiers and electronic printing systems. The western regional office of Crum and Forster Personal Insurance is located in Hacienda Business Park in a 41,760 square foot office building and employs approximate 130 persons.

#### Pacific Bell

Pacific Bell is a subsidiary of Pacific Telesis, the sixth largest telephone holding company in the United States. Pacific Telesis provides local exchange telephone service in parts of California and Nevada. Pacific Bell recently completed the construction of a 25,800 square foot telephone equipment building and electronic switching station in Hacienda Business Park which is expected to be occupied by September 1984.

## BONDOWNERS' RISKS

### General

In order to pay debt service on the Bonds, it is necessary that unpaid installments of assessments on land within the District are paid in a timely manner. Should the installments not be paid on time, the City has established a Reserve Fund in the amount of six percent (6%) of the principal amount of the Bond issue to cover delinquencies and, pursuant to the Bond Law, will use available surplus funds of the City to pay such delinquent installments. The assessments are secured by a lien on the parcels of land and the City can institute foreclosure proceedings to sell land with delinquent installments for the amount of such delinquent installments in order to obtain funds to pay debt service on the Bonds.

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

Unpaid assessments do not constitute a personal indebtedness of the owners of the lots and parcels within the District. There is no assurance the owners will be able to pay the assessment installments or that they will pay such installments even though financially able to do so.

### Bonds are Subordinate Lien Bonds

In May 1983, the City of Pleasanton issued \$45,775,000 principal amount of 1915 Act Improvement Bonds to finance the acquisition of various street and utility improvements to the land comprising Phase I of Hacienda Business Park. The boundaries of this assessment district (Assessment District No. 1983-2 (Hacienda Business Park)) are coterminous with the boundaries of Assessment District No. 1984-1, Hopyard Road, securing repayment of the Bonds described herein. Accordingly, the bonds which were issued to finance Assessment District No. 1983-2 are secured by prior assessment lien against the land in the District and, therefore, have priority over the Bonds described herein being issued to finance Assessment District No. 1984-1, Hopyard Road.

In the event that the respective assessment liens shall both be delinquent on both such assessment liens the proceeds of sale of the delinquent property upon concurrent foreclosure will first be applied to payment in full of principal and interest of the Assessment District No. 1983-2 bonds. Any proceeds remaining after payment of the Assessment District No. 1983-2 bonds in full will be applied to the payment of the Bonds described herein.

## Bankruptcy

Until further development takes place in the District, and along with it the anticipated further diversification of ownership, payment of the assessment installments is largely dependent upon the timely payment by the existing Major Landowners. In the event the Major Landowners or any future major landowner filed bankruptcy, absent available funds, there could be a delay in payment of debt service on the Bonds as such bankruptcy filing may delay the City's ability to complete its Superior Court foreclosure proceedings. Moreover, amounts received upon foreclosure sales may not be sufficient to fully repay outstanding Bonds.

## Availability of City Funds

As discussed in the section herein entitled "Obligation of the City Upon Delinquency", if a delinquency occurs in the payment of any assessment installment, the City, at the end of the fiscal year of delinquency, has a duty to transfer into the Redemption Fund the amount of the delinquency out of available funds of the City. Available funds consist of the balance in the Reserve Fund together with any surplus funds of the City not required for lawful municipal obligations. This duty of the City is continuing during the period of delinquency, until reinstatement, redemption or sale of the delinquent property. There is no assurance that funds will be available for this purpose and if, during the period of delinquency, there are insufficient available funds, a delay may occur in payments to the owners of the Bonds. In order to provide a source of surplus funds for such purpose, the City will establish a Reserve Fund out of Bond proceeds in the amount of six percent (6%) of the principal amount of the Bond issue. If the Reserve Fund were ever depleted as a result of a major or prolonged delinquency in the payment of assessment installments, the City would be obligated to advance available funds to the Redemption Fund in order to pay principal and/or interest on the Bonds. It should be noted, however, that although temporary delinquencies have occurred from time to time in other assessment districts in the City there has never been a default on any of the City's approximately 79.8 million outstanding Improvement Bonds issued pursuant to the Improvement Bond Act of 1915.

## Factors Which May Affect Land Development

The proposed development in the District may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors. In addition, the proposed development may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of proposed development in the District, the nature and extent of public improvements, land use, zoning and other matters. Although no such delays are anticipated, failure to meet any such future regulations or obtain any such approvals in a timely manner could delay or adversely affect the proposed development in the District. For further discussion of factors which may affect future development in the District, see section herein entitled "The District", subsection "Availability of Public Utilities: Sewers" and subsection "The North Pleasanton Assessment District" and section entitled "Proposed Development and Property Ownership", subsection "Superior Court Action and Referendum".

Proposed Constitutional Amendment: "Jarvis 'Save 13' Amendment"

An initiative constitutional amendment commonly referred to as "Jarvis 'Save 13' Amendment" ("the Amendment") which would amend Article XIII A (adopted in 1978 and commonly referred to as "Proposition 13" or the "Jarvis-Gann Initiative") will probably qualify for and be submitted to the voters at the statewide general election in November 1984. If enacted by the voters, the effective date of the Amendment purports to be retroactive to August 15, 1983.

It is believed that, if judicially challenged, the purported retroactivity of the Amendment would be held by a court to be not constitutionally applicable to the assessments securing repayment of the Bonds. If, however, a court should hold the Amendment to be so applicable, the City is further of the opinion that the provisions of the Amendment will not impair the validity and enforceability of the assessments and the Bonds.

Finally, if for any cause the assessments are declared to be invalid or unenforceable by a court, the City is empowered to conduct reassessment proceedings directed to relevying such assessments in accordance with applicable law.

LEGAL OPINION

All proceedings in connection with the issuance of the Bonds are subject to the approval of Sturgis, Ness, Brunsell & Sperry, Emeryville, California, Bond Counsel for the City of Pleasanton in connection with the Assessment District Project. The opinion of Sturgis, Ness, Brunsell & Sperry approving the validity of the Bonds will be printed on each bond. The opinion of Bond Counsel will be qualified as to the enforceability of certain of the proceedings by limitations imposed by bankruptcy, insolvency, moratoria and other similar laws affecting creditors' rights, heretofore or hereafter enacted and by the exercise of judicial discretion in accordance with general principles of equity. Sturgis, Ness, Brunsell & Sperry has been retained by the City as Bond Counsel on a contingent fee, payable solely from the proceeds of the Bond issue.

TAX EXEMPTION

In the opinion of Sturgis, Ness, Brunsell & Sperry, Emeryville, California, Bond Counsel, interest on the Bonds is exempt from all present Federal income taxes and from State of California personal income taxes under existing statutes, regulations and court decisions and the bonds are exempt from all California taxes except franchise taxes. Interest however, may become federally taxable upon any Bond during any period in which the Bond is held or owned by a substantial user of the facilities financed by the Bond proceeds, or by a related person, within the meaning of Section 103(b) of the Internal Revenue Code.

#### NO LITIGATION

There is no action, suit, or proceeding known by the City to be pending at the present time restraining or enjoining the delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the execution or delivery thereof. A no litigation certificate executed by the City Attorney will be required to be delivered to the Underwriters simultaneously with the delivery of the Bonds.

#### NO RATING

The City has not made, and does not contemplate making, application to any rating agency for the assignment of a rating to the Bonds.

#### UNDERWRITING

Stone & Youngberg, the Underwriters, have purchased the Bonds from the City at an aggregate discount of \$ \_\_\_\_\_ from the total par value of Bonds as set forth on the cover page of this Offering Memorandum. The public offering prices may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at a price lower than the offering price stated on the cover page hereof.

APPENDIX A  
ASSESSMENT DIAGRAM

ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT 1984-1

CITY OF PLEASANTON  
ALAMEDA COUNTY, CALIFORNIA

BISSSELL & KARR, INC.

CIVIL ENGINEERS

PLEASANTON, CALIFORNIA

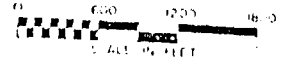
FEBRUARY 1984

ASSESSOR'S PARCEL NUMBER	AREA	AREA	AREA	AREA	AREA
2153	2	911	2753	1	
2259	4	941	2759	2	
2758	6	911	2758	3	
2753	1	911	2753	5	
2759	2	911	2759	4	
2761	3	941	2761	7	
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2761	7	941	2761	9	
2761	8	911	2761	10	
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2761	92	911	2761	94	
2761	93	941	2761	95	
2761	94	911	2761	96	
2761	95	941	2761	97	
2761	96	911	2761	98	
2761	97	941	2761	99	
2761	98	911	2761	100	

THIS IS AN UNOFFICIAL COPY OF THE ASSESSMENT DISTRICT MAP FOR THE CITY OF PLEASANTON, ALAMEDA COUNTY, CALIFORNIA. THE OFFICIAL COPY OF THE MAP IS ON FILE IN THE OFFICE OF THE COUNTY CLERK, ALAMEDA COUNTY, CALIFORNIA. THE DATE OF THE MAP IS FEBRUARY 1984.

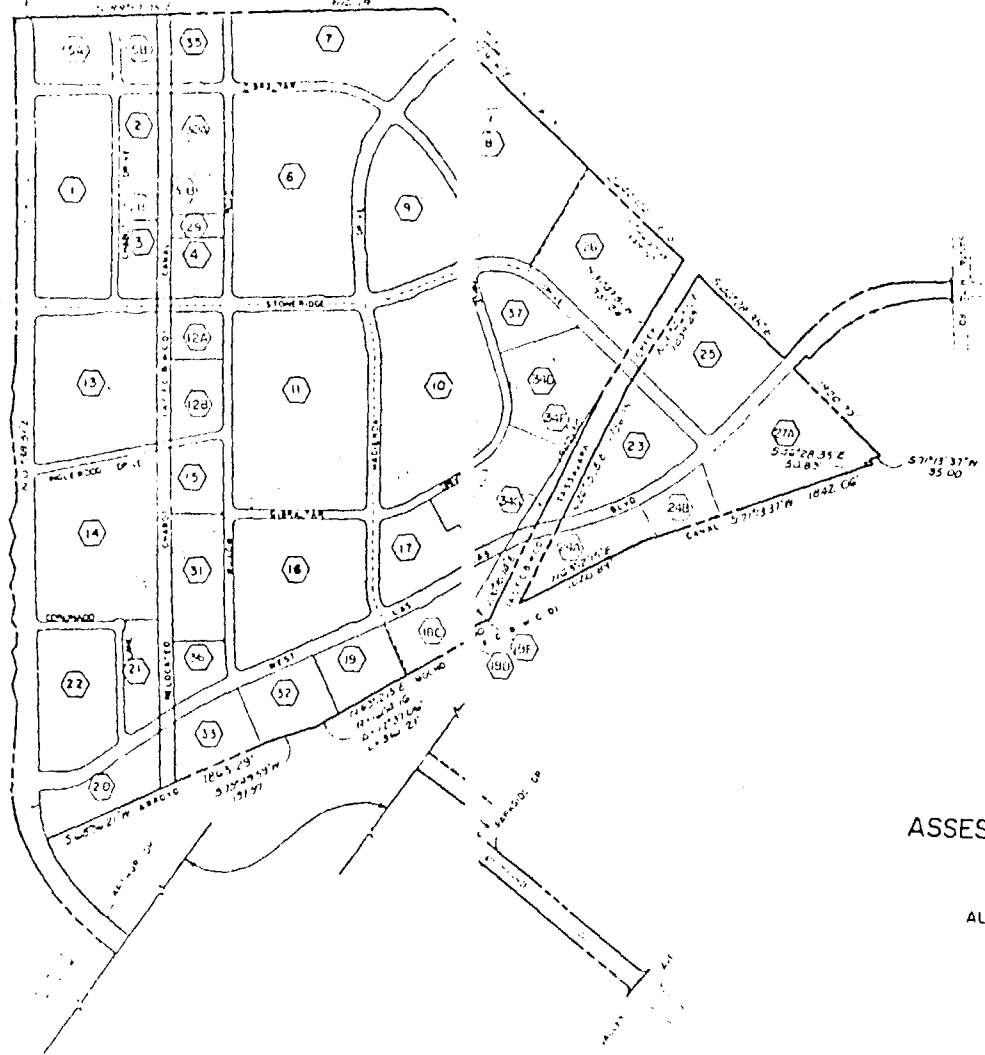
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BISSSELL & KARR, INC.  
CIVIL ENGINEERS  
PLEASANTON, CALIFORNIA



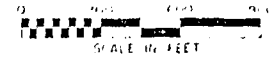
**LEGEND**

- PROPERTY BOUNDARY
- LOT LINE
- METRIC CHASAM LOT

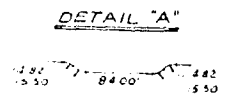
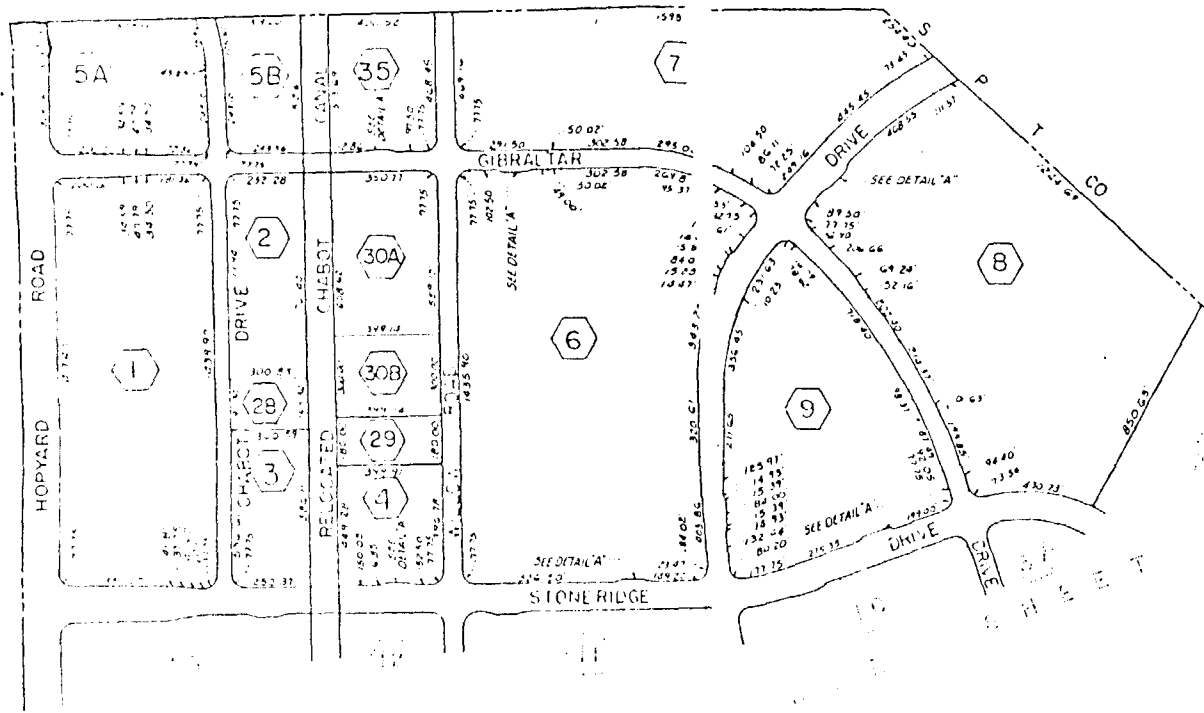


ASSESSMENT DIAGRAM  
 ASSESSMENT DISTRICT 1984-1  
 HOPYARD ROAD  
 CITY OF PLEASANTON  
 ALAMEDA COUNTY, CALIFORNIA  
 BISSELL & KARN, INC  
 CIVIL ENGINEERS  
 PLEASANTON, CALIFORNIA  
 FEBRUARY 1984





A-3

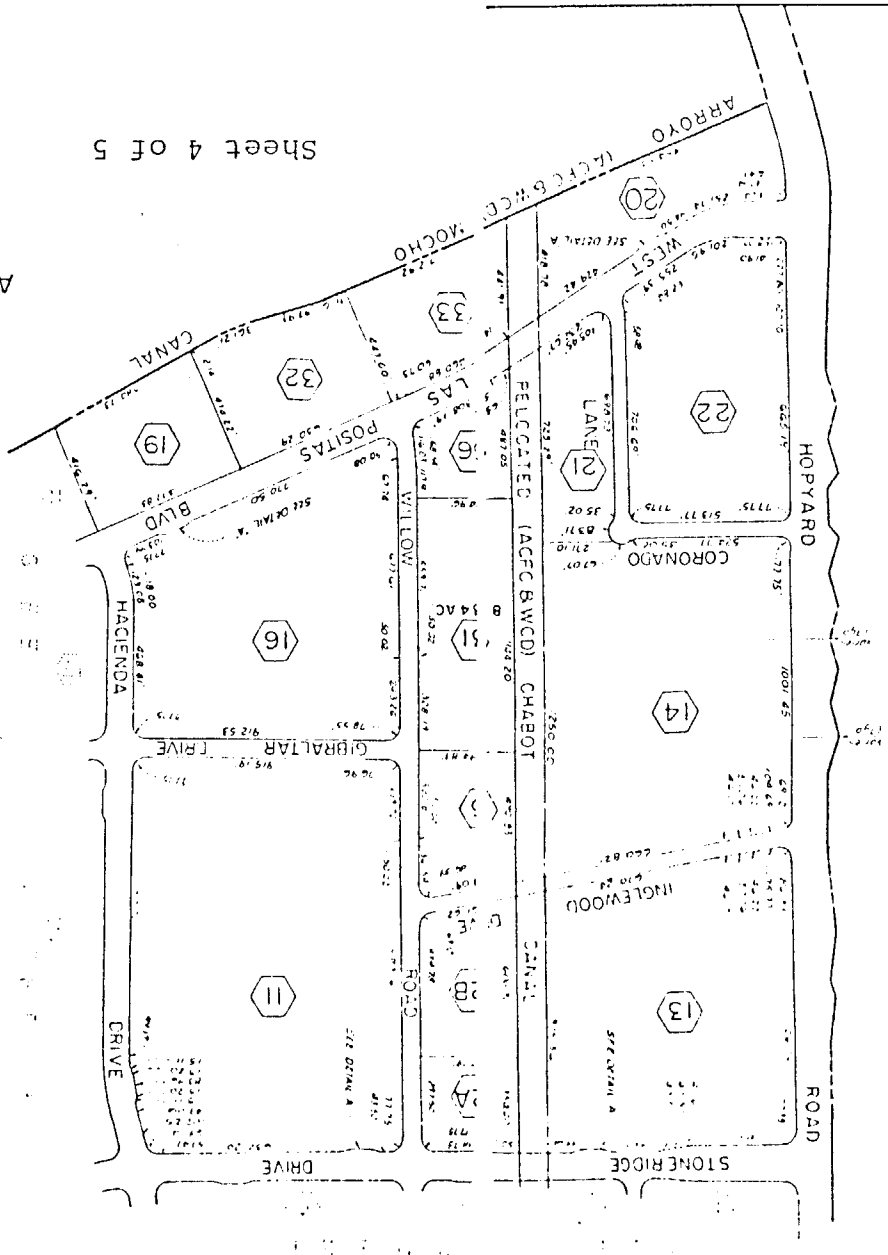


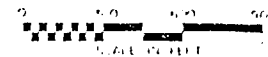
ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT 1984-1  
HOPYARD ROAD

CITY OF PLEASANTON  
ALAMEDA COUNTY, CALIFORNIA

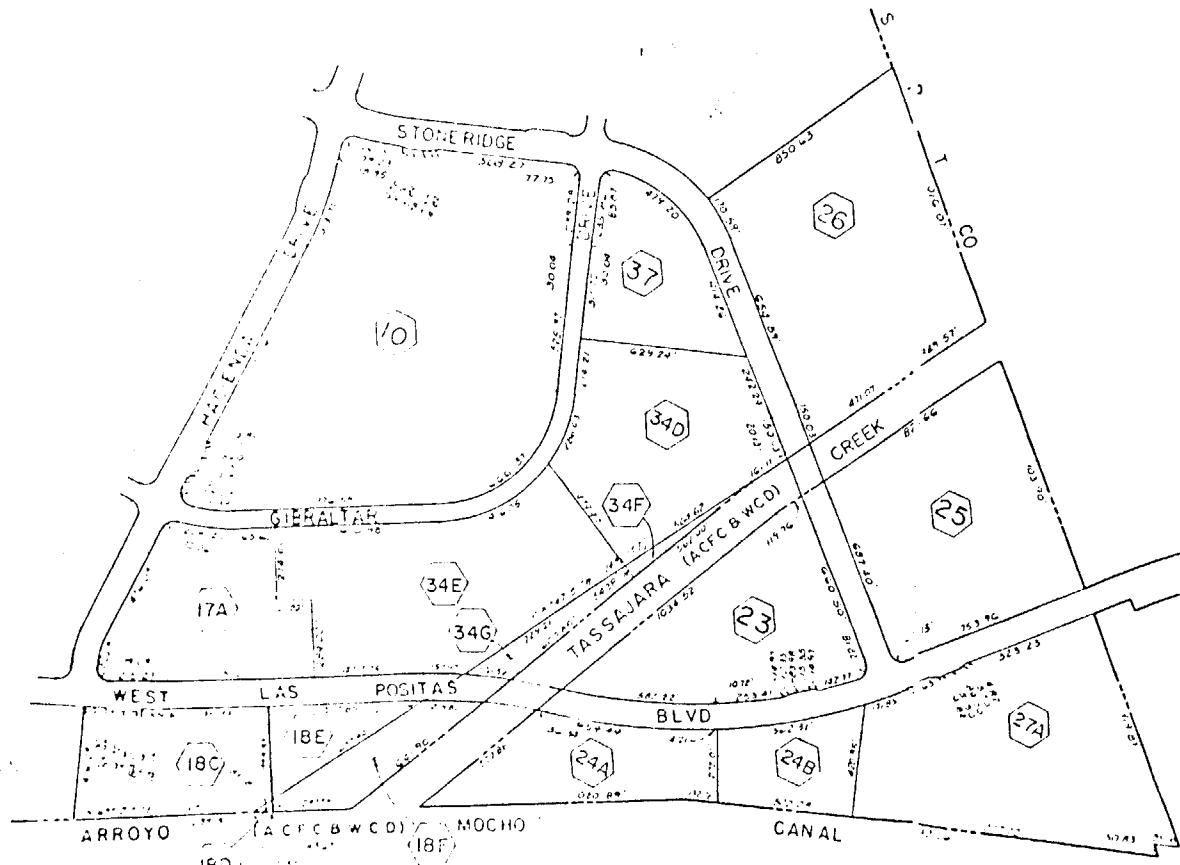
BISSELL & KARN, INC.  
CIVIL ENGINEERS  
PLEASANTON, CALIFORNIA  
FEBRUARY 1984

ASSESSMENT DIAGRAM  
 ASSESSMENT DISTRICT 1984-1  
 HOPYARD ROAD  
 CITY OF PLEASANTON  
 ALAMEDA COUNTY, CALIFORNIA  
 BISSELL & KARN, INC.  
 SHEET 4 OF 5





A-5



ASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT 1984-1  
HOPYARD ROAD

CITY OF PLEASANTON  
ALAMEDA COUNTY, CALIFORNIA

BISSELL & KARN, INC  
CIVIL ENGINEERS  
PLEASANTON, CALIFORNIA

FEBRUARY 1984

APPENDIX B  
DESCRIPTION OF WORK

The improvements to be acquired include the following:

The acquisition of off-tract street and utility improvements including grading, paving, curbs and gutters, a bridge, traffic signals, sound walls, landscaping, domestic water main services, and hydrants, storm drain, sanitary sewer mains, underground electrical and telephone utilities, and relocating utilities, Hopyard Road between Valley Avenue and approximately 800 feet southerly to Owens Drive; Owens Drive between Hopyard Road and approximately 425 feet westerly to Hopyard Road; portions of Johnson Court; and West Las Positas Boulevard between the Southern Pacific Transportation Company railroad tracks and Santa Rita Road.

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Source: Engineer's Report prepared by Bissell & Karn, Inc., Pleasanton, California, a copy of which is available for inspection at the City of Pleasanton.

APPENDIX C  
CERTIFICATION OF THE APPRAISAL

Cushman & Wakefield Appraisal Division  
Bank of America Center, 555 California Street, Suite 2700, San Francisco, CA 94104  
(415) 397-1700



March 15, 1984

STONE & YOUNGBERG  
One California Street, Suite 2800  
San Francisco, California 94111

Re: Real Property Appraisal  
Hacienda Business Park, Phase I  
Southeast Corner Interstate 580  
and Hopyard Road  
Pleasanton, California 94566

Gentlemen:

In response to your request, we have completed an analysis and appraisal of Phase I of the Hacienda Business Park, Pleasanton, California. The purpose of the appraisal was to provide market information and analysis leading to an estimate of the retail market value of the subject finished lots.

On the basis of our analysis, the opinion has been formed that the total of the retail fair market values of the subject sites as of the fifteenth day of March, 1984 was the sum of:

**Two Hundred Thirty-Two Million Eight Hundred Sixty Thousand Dollars**

**\$ 232,860,000**

The preceding value conclusions are predicated on certain major assumptions which are completely outlined in the referenced appraisal reports and briefly summarized as follows:

1. Finished lot status as of the date of value.
2. Total net saleable acreage of both co-developer holdings: 492.197 acres.
3. Stable soil conditions.
4. Adequate support services and utilities available over the projected build-out.
5. Market value conclusions are inclusive of both in-tract and off-tract improvement assessments, present and future.

Stone & Youngberg

March 15, 1984

- 2 -

6. Retail market value assumes individual lot sales and resulting value rather than bulk sale or wholesale value.
7. Our valuation is predicated upon the plans and specifications reviewed as well as numerous other documents including the design guidelines, covenants, conditions and restrictions, development plan, landscaping plan, etc. which significantly affect the quality and resulting value of the property.
8. Approval of the proposed uses and corresponding land areas including voter approval in the election on April 10, 1984 is assumed.

It is further noted that this letter is merely a certification of our final value conclusion and must be viewed in the context and in connection with the entire appraisal report document relative to each property. The above list of assumptions is representative of the major assumptions included in our valuation, however, should not be misconstrued to be an exhaustive or all inclusive listing of all our assumptions or intermediate conclusions.

Respectfully submitted,

CUSHMAN AND WAKEFIELD OF CALIFORNIA, INC.

San Francisco Appraisal Division

The information which follows in Appendix D is presented as general background data. The Bonds are payable solely from the proceeds of payments upon unpaid assessments and other sources as described herein. The taxing power of the City of Pleasanton, the State of California or any political subdivision thereof is not pledged to the payment of the Bonds. See the section herein entitled "The Bonds".

APPENDIX D  
CITY FINANCIAL INFORMATION

City Assessed Valuation

A history of the City's assessed valuations for the past six years appears in Table D-1. Beginning in 1981/82, assessed valuations are based on 100% of full value, rather than 25% as in prior years. Assessed valuations include homeowners' and (prior to 1980/81) business inventory exemptions, the taxes on which are paid by the State of California.

Table D-1

CITY OF PLEASANTON  
ASSESSED VALUATIONS

Fiscal Year	Assessed Valuation	Full Value Equivalent	Percent Increase
1977-78	\$ 165,485,836	\$ 661,943,344	N/A
1978-79	171,990,699	687,962,796	3.0%
1979-80	183,956,816	735,827,264	7.0%
1980-81	213,499,666	853,998,664	16.1%
1981-82	1,028,133,157	1,028,133,157	20.4%
1982-83	1,161,165,176	1,161,165,176	12.9%
1983-84	1,360,471,441	1,360,471,441	17.2%

Source: California Municipal Statistics, Inc.

Tax Rates

The basic tax rate for all taxing entities within a particular tax code area is \$1 per \$100 of assessed valuation in accordance with Article XIII A of the State Constitution. To this may be added whatever tax rates are necessary to meet debt service on indebtedness approved by the voters prior to July 1, 1978.

There were 40 tax code areas established within the City for the 1982/83 fiscal year. Total tax rate per \$100 assessed valuation (full value) within these various code areas range from \$1.1396 to \$1.3509. The City tax rate for 1982/83 is \$.0090 per \$100 assessed valuation to pay for debt service.

Tax Rate Area 19-000 is representative of the code areas within the City. Shown in Table D-2 are all tax rates within this tax rate area for the past three years.

Table D-2

CITY OF PLEASANTON TOTAL TAX RATES  
Tax Rate Area 19-000

Tax Agency	1979/80(1)	1980/81(1)	1981/82(2)	1982/83(2)
Countywide Tax	\$4.000	\$4.000	\$1.0000	\$1.0000
City of Pleasanton	.060	.052	.0103	.0090
Pleasanton Joint School District Bonds	.211	.187	.0300	.0235
Pleasanton Joint School District Bonds EC 16090	.215	.236	.0643	.0766
Amador Valley Joint Union High School Dist. Bonds	.258	.218	.0434	.0389
Amador Valley Joint Union High School District Bonds EC 16090	.213	.206	.0579	.0665
South County Community College District Bonds	.036	.034	.0064	.0061
Flood Zone 7, State Water	.121	.099	.0334	.0363
Bay Area Rapid Transit	<u>.316</u>	<u>.323</u>	<u>.0697</u>	<u>.0628</u>
Total, All property	\$5.430	\$5.355	\$1.3154	\$1.3197
Land and Improvements Only: Flood Zone 7 Bond	<u>.044</u>	<u>.030</u>	<u>.0013</u>	<u>.0028</u>
Total, All Rates	\$5.474	\$5.385	\$1.3167	\$1.3225

(1) Computed on 25% of market value.

(2) Full market value assessment.

Source: Alameda County Auditor-Controller.

#### Tax Levies and Delinquencies

The City of Pleasanton uses the facilities of Alameda County for the assessment and collection of taxes. City taxes are collected at the same time and on the same tax rolls as are County, school district and special district taxes.

Taxes on the secured roll are payable in two installments on November 1 and February 1 of each fiscal year, and become delinquent after December 10 and April 10, respectively. Taxes on unsecured property are assessed and payable March 1 and become delinquent the following August 31 in the next fiscal year.

Commencing in June 1982, a 10% penalty is added to delinquent taxes which have been levied on property on the secured roll (a 6% penalty is charged on property taxes that become delinquent prior to June 1982). In addition, property with delinquent taxes is sold to the State on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. (A redemption penalty of 1% per month applies to taxes which became delinquent prior to the 1981/82 tax year.) If taxes are unpaid for a period of five years or more the property is deeded to the State and is subject to sale by the County Tax Collector.



Table D-3 shows a six-year summary of secured tax levies and delinquencies in the City as of June 30 of each year.

Table D-3

CITY OF PLEASANTON  
SECURED TAX LEVIES AND DELINQUENCIES(1)

Fiscal Year	Secured Tax Levy	Amount Delinquent June 30	Percent Delinquent June 30
1977-78	\$18,580,762.65	\$287,262.57	1.55%
1978-79	8,038,942.66	195,964.83	2.44
1979-80	8,771,287.84	268,729.45	3.06
1980-81	10,220,253.93	246,614.67	2.41
1981-82	12,310,244.88	445,950.33	3.62
1982-83	13,936,256.50	366,689.22	2.63%

(1) Tax levies and delinquencies include all taxing entities within the City of Pleasanton (city, county, schools, special districts, etc.). Beginning 1978-79, the tax rate is limited to 1% of full value, plus an override for indebtedness authorized prior to 7/1/78.

Source: California Municipal Statistics, Inc.

Direct and Overlapping Bonded Debt

Table D-4 presents the City's outstanding direct and overlapping bonded indebtedness as of May 2, 1984.

Table D-4

CITY OF PLEASANTON  
DIRECT AND OVERLAPPING BONDED DEBT STATEMENT

DIRECT AND OVERLAPPING BONDED DEBT:	% Applicable	Debt 5/2/84
San Francisco Bay Area Rapid Transit District	1.647	\$ 9,709,065
Oakland-Alameda County Coliseum	2.201	419,180
Alameda County Board of Education Pub Fac Corp	4.402	390,017
Alameda County Library Authority	4.402	40,058
Alameda County Flood Control & Water Conservation District, Zone #7	36.899	808,088
South County Joint Community College District	10.713	422,627
Livermore Valley Joint Unified School District (various issues)	0.036-2.540	13,092
Amador Valley Joint Union High School District (various issues)	61.933-62.459	2,955,403
Murray School District (various issues)	45.145-45.399	1,010,764
Pleasanton Joint School District (various issues)	88.916-89.016	1,118,144
City of Pleasanton	100.	1,055,000
City of Pleasanton Public Facilities Corporation	100.	1,875,000
City of Pleasanton 1915 Act Bonds	100.	98,317,777 (1)
Other Special Districts	Various	18,488
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT		\$118,167,347(2)
Less: Oakland Alameda County Coliseum (100% self-supporting)		419,180
1915 Act Bonds		98,317,777
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT		\$19,430,390(2)

(1) Includes approximately \$18,488,000 issue to be sold.

(2) Excludes revenue and mortgage revenue bonds and non-bonded capital lease obligations.

Ratios to Assessed Valuation:	Per Capita (1982 State Est. - 36,700:
Direct Debt (\$2,930,000) 0.22%	Assessed Valuation \$37,070
Total Gross Debt 8.69%	Total Gross Debt \$ 3,220
Total Net Debt 1.43%	Total Net Debt \$ 529

SHARE OF AUTHORIZED AND UNSOLD BONDS:

Murray School District	\$321,134
Pleasanton Joint School District	682,260

SHARE OF STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/83: \$13,280,169

Source: California Municipal Statistics, Inc.

## Financial Statements

The accounting policies of the City of Pleasanton conform to generally accepted accounting principles as applicable to governments except as follows: (1) the City does not record fixed assets in a General Fixed Assets group of accounts and (2) the Enterprise Fund "Sewer and Drainage" does not record fixed assets nor charge depreciation.

Accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Operations of each fund are accounted for with a separate set of self-balancing accounts. The various funds are grouped into broad categories, as follows: Governmental Funds (General, Special Revenue, Debt Service, Capital Projects, Special Assessment), Proprietary Funds (Enterprise, Internal Service), and Fiduciary Funds (Trust and Agency).

All Governmental Funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. All Proprietary Funds are accounted for using the accrual basis of accounting. An exception is the Sewer and Drainage Fund in which depreciation is not charged.

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those to be accounted for in another fund.

Revenues and expenditures in the City's General Fund for the years 1979/80 through 1982/83 are shown in Table D-5. Taxes are the City's major source of revenues. In 1983, taxes comprised 48.3 percent of all City revenues, followed by public works fees (18.8 percent) and use of money and property (8.2 percent). Salaries and employee benefits comprise the major use of General Fund monies, accounting for over 74 percent of all General Fund expenses in 1982.

Table D-6 shows the City of Pleasanton General Fund Balance Sheet as of June 30, 1982 and June 30, 1983.

Table D-5

CITY OF PLEASANTON  
GENERAL FUND  
REVENUES AND EXPENDITURES

	1979/80	1980/81	1981/82	1982/83
<b>Revenues:</b>				
Property Taxes	\$1,554,365	\$1,854,600	\$2,232,004	\$2,590,258
Sales Taxes	996,560	1,382,329	1,663,122	1,815,457
Other Taxes	88,195	123,057	97,192	118,441
Licenses	86,634	105,728	102,994	86,411
Permits	119,343	169,563	330,720	529,906
Fines, Forfeitures	102,797	194,593	167,257	174,278
Use of Money and Property	383,320	463,373	672,067	769,365
Subventions and grants	1,009,075	1,226,600	829,060	563,511
Franchises	138,697	181,862	196,106	250,953
Planning, Zoning Fees	34,501	36,522	94,516	48,525
Public Works Fees	331,801	493,805	1,207,962	1,757,829
Enterprise Services	43,100	73,639	83,554	88,649
Other Charges for Service	8,368	12,042	20,315	36,651
Refunds	73,086	11,777	33,942	-
Recreation Revenues	284,971	287,196	316,597	260,270
Insurance from City Funds	-	-	-	257,804
Other	4,839	20,411	35,879	20,494
<b>Total Revenues</b>	<b>\$4,259,652</b>	<b>\$6,637,097</b>	<b>\$8,328,200</b>	<b>\$9,368,606</b>
<b>Expenditures:</b>				
Salaries and Employee Benefits	\$4,091,337	\$4,606,636	\$5,429,695	\$6,213,118
Transportation	240,217	236,772	253,020	346,162
Repairs, Maintenance	86,457	104,304	104,162	131,135
Materials, Supplies and Services	871,474	946,192	1,577,547	1,389,393
Capital Outlay	83,890	176,919	120,084	244,874
<b>Total Expenditures</b>	<b>\$5,373,375</b>	<b>\$6,070,823</b>	<b>\$7,484,508</b>	<b>\$8,324,682</b>
<b>Other Financing Sources:</b>				
Transfers in (Net)	\$ 24,728	\$ 328,219	\$ 224,197	(150,017)
Amount Over (Under) Expenditures	\$ (88,995)	\$ 894,493	\$1,067,889	893,907

Source: Compiled from the City's audited Financial Reports for the individual years.

Table D-6  
 CITY OF PLEASANTON  
 GENERAL FUND BALANCE SHEET  
 For the Year Ended June 30, 1982

	June 30, 1982	June 30, 1983
<u>Assets</u>		
Cash and investments	\$3,390,969	\$4,279,277
Receivables		
Taxes (unapportioned secured/unsecured 1981-82)	44,077	97,526
Accounts (net allowance for bad debts)	750,225	769,732
Accrued interest	119,777	293,689
Due from other funds	496,843	287,843
Notes receivable	-0-	159,821
Prepaid expenses	-0-	28,575
	<u>\$4,801,891</u>	<u>\$5,916,463</u>
<u>Liabilities:</u>		
Accounts payable	\$ 461,113	\$438,397
Wages payable	208,114	189,621
Accrued unpaid vacation pay (1)	-0-	350,635
Due to other funds	350,873	311,183
	<u>\$1,020,100</u>	<u>\$1,289,836</u>
<u>Fund Equity</u>		
Fund Balance		
Reserved for contingencies	\$3,781,791	\$4,626,627(2)
	<u>\$3,781,791</u>	<u>\$4,626,627</u>
Total Fund Balance	\$3,781,791	\$4,626,627
Total Fund Equity	<u>\$3,781,791</u>	<u>\$4,626,627</u>
Total Liabilities and Fund Equity	<u>\$4,801,891</u>	<u>\$5,916,463</u>

Source: Compiled from the City's audited Financial Reports for the individual years.

- (1) An accrual has been made for accumulated unpaid employee vacation pay beginning with the year ended June 30, 1983. In prior years, accumulated unpaid vacation pay was reserved in the General Fund balance. For the fiscal year ended June 30, 1982, the reserve for unpaid vacation pay was \$285,580.
- (2) According to the City Finance Director the entire Reserved Fund Balance of \$4,626,627 has been appropriated by City Council resolution to a "contingency reserve" for specific expenditures.

APPENDIX E  
CITY AND COUNTY GENERAL AND ECONOMIC DATA

The information which follows in Appendix E is presented as general background data. The Bonds are payable solely from the proceeds of payments upon unpaid assessments and other sources as described herein. The taxing power of the City of Pleasanton, the State of California or any political subdivision thereof is not pledged to the payment of the Bonds. See the section herein entitled "The Bonds".

The City of Pleasanton ("the City") is located in south central Alameda County ("the County"), approximately 40 miles east of San Francisco and 25 miles east of Oakland. The City covers approximately 13 square miles in an area known as the Amador Valley. The intersection of Interstate Highway 580 and 680 forms the northern boundary of the City.

The City's elevation is approximately 335 feet above sea level. The mean temperatures for January and July are 47.6 degrees Fahrenheit and 70.6 degrees Fahrenheit respectively. Rainfall averages 17.35 inches per year. Prevailing winds are westerly with a mean speed of 4 miles per hour.

Pleasanton is primarily a residential, commercial and research center with some manufacturing. However, the City is interested in expanding its industrial base, and considerable commercial/industrial development is planned for the area for the next several years.

Pleasanton was incorporated June 18, 1894 and is a general law city with a council-manager form of government. A five-member City Council appoints a City Manager who administers daily affairs under the policy guidance of the Council.

Population

Table E-1 presents City and County population data since 1940. The period of 1940 to 1980 was marked by substantial population increases in both the City and County. Population growth has been less pronounced in the City since 1981. However, it is expected that the commercial and industrial development which is planned for Pleasanton will cause an influx of new residents to relocate to the area over the next fifteen years.

In the 1980 Federal Census the median age of City residents was 30 years, compared with a County median of 30.7 years. There were 3.1 persons per household compared with a County figure of 2.53 persons per household.

Table E-1

## CITY AND COUNTY POPULATION DATA

Year	City of Pleasanton	Average Annual Change	Alameda County	Average Annual Change
1940	1,278	-	513,011	-
1950	2,244	+ 7.6%	740,315	+4.4%
1960	4,203	+ 8.7%	908,209	+2.3%
1970	18,328	+33.6%	1,071,446	+1.8%
1980	35,160	+ 9.2%	1,105,379	+ .3%
1981	35,150	-	1,125,400	+1.8%
1982	35,400	+ .7%	1,136,800	+1.0%
1983	36,700	+ 3.7%	1,155,500	+1.6%

Source: 1940-1980: U.S. Bureau of the Census.  
1981-1983: State Department of Finance Estimates as of July 1.

Labor and Employment

Alameda County and Contra Costa County provide a wide range of employment opportunities to residents of the Pleasanton Area. An efficient freeway network combined with regular commuter bus service, which connects with the Bay Area Rapid Transit (BART) stations enables City residents to work anywhere in the Bay Area.

Due to the effects of the recession, Alameda County's unemployment rate rose from 6.3 percent in 1980 to 9.3 percent in 1982. However, employment data for the County through October 1983 indicate that the average unemployment rate for the year thus far has decreased to 8.8 percent. It should be pointed out that this rate is based on an average of monthly rates which have decreased steadily from 10.6 percent in January to 7.1 percent in October.

The average unemployment rate for the State and the nation through October 1983 are 10.0 percent and 9.9 percent, respectively.

The following table presents employment data and forecasts compiled by the State Employment Development Department.

Table E-2

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT  
(in thousands)

	1980	Annual Averages		1983(1)
		1981	1982	
Civilian Labor Force	566.7	579.6	604.0	612.9
Employment	531.1	540.2	547.5	559.0
Unemployment	35.6	39.4	56.4	53.9
Unemployment Rate	6.3%	6.8%	9.3%	8.8%

(1) 1983 figures based on monthly averages through October 1983. Not adjusted for seasonal changes.

Source: California Employment Development Department.

The State Employment Development Department estimates 488,100 wage and salary jobs for Alameda County in 1982. Twenty-one percent of these jobs are in the services sector, 18.2 percent are in State and local government, 17.1 percent are in retail trade and 16.6 percent are in manufacturing. For a more detailed breakdown of wage and salary employment, see Table E-3 on the following page.



Table E-3

ALAMEDA COUNTY  
WAGE AND SALARY EMPLOYMENT (1)  
Annual Averages

	1978	1979	1980	1981	1982
Mining and Construction	22,400	25,300	23,900	23,200	23,200
Manufacturing	88,700	88,800	83,600	80,900	76,300
Transportation & Utilities	31,300	31,400	31,500	31,400	30,700
Wholesale Trade	27,600	28,600	29,100	30,200	30,900
Retail Trade	79,400	81,700	83,400	83,540	84,500
Financing, Insurance, Real Estate	24,100	24,600	25,200	24,900	25,000
Services	86,800	92,100	96,300	100,100	103,000
Federal Government	22,800	22,800	23,200	22,700	22,500
State & Local Government	93,600	89,900	91,100	89,900	88,900
Agriculture	2,900	3,000	3,100	3,100	3,100
Total	479,500	488,200	490,500	489,900	488,100

(1) By place of work.

(2) Columns may not add due to rounding of each industry employment by the source.

Source" California Employment Development Department.

Table E-4 lists major employers in the Pleasanton area. Major manufacturing companies include Rhodes Jamieson and Kaiser Sand and Gravel, both producers of quarry products. The Amador Valley Schools employ approximately 900 persons. Other major non-manufacturing employers include Lawrence Livermore Laboratories, Kaiser Research and Clorox, all engaged in research.

Table E-4

## EMPLOYMENT IN THE PLEASANTON COMMUNITY AREA(1)

Manufacturing Employment

Name of Company	Employment	Product
Rhodes Jamieson	237	Sand and gravel
Kaiser Sand and Gravel	350	Sand and gravel
Lone Star	75	Sand and gravel
Tenneco	40	Color dispersors
Nuclepore	61	Medical and electronic components

Non-Manufacturing Employment

Name of Company	Employment	Product
Kaiser Research	363	Research
Clorox	300	Research
General Electric	304	Research
Amador Valley Schools	900	Education
Farmers Insurance	700	Insurance
Macy's Department Store	275	Retail
Capwell's Department Store	255	Retail
Pacific Bel	240	Utility
J. C. Penney Co.	240	Retail
Crum & Forster	130	Insurance
Lawrence Livermore Lab.	7,400*	Research

(\*614 in Pleasanton)

(1) Includes City of Pleasanton and adjacent communities.

Source: City of Pleasanton Chamber of Commerce, Pleasanton 2000 Progress Report, 1983, and updated information per investigations by the Underwriters.

Commercial Activity

1982 total taxable transactions in the City of Pleasanton are over two times greater than the 1979 figure. The opening of Stoneridge Shopping Center in 1981 is largely responsible for the increased valuation of taxable sales. Stoneridge Center, a large regional shopping center located at the intersection of Interstate Highways 580 and 680 has three full-line department stores, including Macy's, Emporium-Capwell, and J. C. Penney Company and nearly 100 smaller shops, restaurants and service establishments. There are also a number of neighborhood shopping centers in the City. The City's central business district is located in downtown Pleasanton in the southern portion of the City. Table E-5 presents taxable transactions for the City from 1977 through 1982.

Table E-5

CITY OF PLEASANTON  
TAXABLE TRANSACTIONS  
(in thousands of dollars)

Year	Retail Stores		Total All Outlets	
	No. of Permits	Taxable Transactions	No. of Permits	Taxable Transactions
1977	189	\$ 38,253	564	\$ 66,321
1978	190	43,893	604	72,314
1979	207	51,923	666	91,045
1980	223	81,264	737	123,013
1981	298	124,785	834	179,925
1982(1)	330	146,698	909	193,568

(1) 1982 data for first three quarters (through September).

Building and Construction

Table E-6 presents building permit valuation for the City of Pleasanton for the years 1978 through October 1983. Total building permit valuation through October 1983 exceeds that of all of 1982 by 26.2 percent. Most of this increased valuation was in the residential sector which exceeded its total 1982 valuation by over 84 percent. Commercial valuation increased by approximately 7 percent, with industrial valuation remaining about the same.

Table E-6

CITY OF PLEASANTON  
BUILDING PERMIT VALUATION  
(in thousands of dollars)

	1978	1979	1980	1981	1982	1983(1)
Residential						
New single dwelling	\$ 6,764	\$10,886	\$ 7,862	\$ 8,447	\$24,031	\$43,063
New multi dwelling	1,772	0	3,966	45	5,028	2,422
Additions, alterations	<u>1,144</u>	<u>1,991</u>	<u>1,706</u>	<u>1,143</u>	<u>18</u>	<u>368</u>
Total Residential	9,680	12,877	13,534	9,635	29,077	48,853
Non-Residential						
New commercial	1,933	35,478	9,693	21,603	32,476	34,793
New industrial	3,005	2,698	0	5,821	4,406	4,404
Other 1,956	845	327	5,821	2,780	1,066	
Additions, alterations	<u>245</u>	<u>420</u>	<u>3,885</u>	<u>2,182</u>	<u>0</u>	<u>634</u>
Total Non-residential	<u>7,139</u>	<u>39,441</u>	<u>13,905</u>	<u>32,163</u>	<u>39,662</u>	<u>40,897</u>
TOTAL VALUATION	<u>\$16,819</u>	<u>\$52,318</u>	<u>\$27,439</u>	<u>\$41,798</u>	<u>\$68,739</u>	<u>\$86,750</u>
Percent change	-	+211.1%	-47.6%	+52.3%	+64.4%	+26.2%
Number of new dwelling units						
Single dwelling	154	227	108	113	294	552
Multi-dwelling	<u>50</u>	<u>0</u>	<u>94</u>	<u>2</u>	<u>152</u>	<u>59</u>
Total Units	<u>204</u>	<u>227</u>	<u>202</u>	<u>115</u>	<u>446</u>	<u>611</u>

(1) Through October 1983

Source: Security Pacific National Bank, "California Construction Trends"

## Public Utilities

Pacific Gas and Electric Company provides natural gas and electric power to the City. Pacific Bell provides telephone service. Water is supplied by Alameda County Flood Control Zone 7 and Pleasanton City wells. Sewer service is supplied by the Dublin-San Ramon Services District.

## Transportation

Interstate Highway 580 (east-west) and Interstate Highway 680 (north-south) intersect at the northern boundary of Pleasanton and provide access to the nearby cities of Oakland, San Francisco, Sacramento, San Jose and the Central Valley. Interstate Highways 5 and 80 and State Route 17 are all within 20 minutes of the City.

Pleasanton is located 17 miles from Oakland International Airport, 33 miles from San Jose Municipal Airport, and 36 miles from San Francisco International Airport. Livermore Municipal Airport, a general aviation facility, is located 6 miles east of the City. Deep water shipping facilities are available at the Port of Oakland and the Port of San Francisco, 24 miles and 35 miles from the City, respectively.

A. C. Transit provides regional bus service and connects with the Greyhound Terminal in Livermore and the Hayward and Walnut Creek Bay Area Rapid Transit (BART) stations. BART provides passenger rail service to Alameda, Contra Costa and San Francisco counties. Western Pacific and Southern Pacific provide rail freight service to the City. Twenty-three truck lines provide overnight delivery to San Francisco, Los Angeles, Sacramento and the San Joaquin Valley.

## Education

The Pleasanton Joint School District (grades K-8) and the Amador Valley Joint Union High School District (grades 9-12) provide public education in the City. There are six elementary schools, two intermediate schools, two high schools and an adult school. In addition there are several church-affiliated private elementary and high schools.

The Hayward and Valley (Livermore) campuses of Chabot College provide post-secondary education and are operated by the South County Community Colleges District. East Bay colleges and universities include the University of California at Berkeley, California State University at Hayward, Mills College, St. Mary's College and Holy Names College. In addition, Stanford University, the University of Santa Clara and Hastings College of Law are all within an hour's drive of the City of Pleasanton.

## Community Facilities

Valley Memorial Hospital, with a 110-bed capacity, is located five miles east of Pleasanton in the City of Livermore. Valley Memorial also administers the Family Medical Center in San Ramon. There are 38 physicians/surgeons, 30 dentists, 5 optometrists and 5 chiropractors practicing in Pleasanton.

Pleasanton has 16 churches of various denominations, one library and three local newspapers. Financial institutions include 5 banks and 7 savings and loan associations. Radio station KKIQ in Livermore and three TV channels are received direct at Pleasanton. There is also a TV cable system in the City.

## Recreation

The Alameda County Fairgrounds, which are located in the center of the City have a race track, grandstand, skating rink and amphitheatre. The County Fair is held each July; the facilities are used for the rest of the year by various organizations.

Twenty-one municipal parks include playing fields, pools, tennis courts, playgrounds, meeting rooms and facilities for arts and crafts classes. Other recreational facilities include a roller skating rink, a nine-hole golf course, Rapids Water Slide, and a Fitness Trail. Shadow Cliffs Regional Park, which adjoins the City's eastern boundary includes a sandy beach and facilities for swimming, boating and fishing. It is operated by the East Bay Regional Park District. Two private health clubs - Amador Valley Athletic Club and Schoeber's Racquetball Spa provide modern facilities for racquetball, tennis, swimming, basketball, and offer a variety of classes and social activities. Eighteen-hole golf courses in the City are found at Castlewood Country Club, Sunol Golf Club and Pleasanton Fairways. Pleasanton residents have convenient freeway access to the diverse cultural and recreational advantages of the San Francisco Bay Area.