

Recording Requested By And When Recorded
Mail To:

CITY OF STOCKTON, California
c/o City Attorney
425 North El Dorado Street
Stockton, California 95202

Attention: John Luebberke, Esq.

This document is recorded for the benefit of the City of Stockton and the recording is fee-exempt under Section 27383 of the California Government Code.

ASSIGNMENT AGREEMENT

by and between the

STOCKTON PUBLIC FINANCING AUTHORITY

and

CITY OF STOCKTON

Relating to the Assignment of Certain Rights
Under a Lease and a Sublease,
Each Dated the Date Hereof, Between

CITY OF STOCKTON
AND
STOCKTON PUBLIC FINANCING AUTHORITY

Executed and Entered into as of August 1, 2018

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this "Assignment") is made as of August 1, 2018, by and between the Stockton Public Financing Authority, a joint powers authority duly organized and existing under the laws of the State of California ("Authority"), whose principal address is 425 North El Dorado Street, Stockton, CA 95202 and City of Stockton ("Purchaser"), whose mailing address is 425 North El Dorado Street, Stockton, CA 95202.

WITNESSETH:

WHEREAS, Authority desires to assign, sell, transfer and convey to Purchaser, and Purchaser desires to purchase all of Authority's right, title and interest in and to the Lease and Sublease (as hereinafter defined), the Base Rental Payments and other amounts payable thereunder and certain other property and interests as herein provided upon the terms and conditions stated below;

WHEREAS, the Sublease provides for the leasing of the equipment and real property described in Exhibit A attached hereto;

NOW, THEREFORE, in consideration of the premises, the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignment; Payment of Purchase Price.

(a) Authority hereby sells, transfers, delivers, assigns and conveys, without recourse, to Purchaser, its successors and assigns, forever, all of Authority's right, title, interest, estate, claims and demands in and to (i) all of its rights to receive the Base Rental Payments (as such term is defined in the Sublease) and all other rental payments scheduled to be paid by the City of Stockton (the "City") under and pursuant to the Sublease (City of Stockton), by and between the Authority, as lessor and the City, as lessee, dated as of May 1, 2018 (the "Sublease"), (ii) all rents, profits, products and offspring from the Facilities (as such term is defined in the Sublease) to which the Authority has any right or claim whatsoever, (iii) the right to take all actions and give all consents under the Sublease, (iv) the right of access more particularly described in the Sublease, and (v) all other right, title, and interest of Authority in, to and under the Sublease and the Lease (City of Stockton), by and between the City, as lessor and the Authority, as lessee, dated as of May 1, 2018 (the "Lease"). Authority acknowledges that upon the execution and delivery of this Assignment Agreement, it shall have no right, title, or interest in or to the Base Rental Payments, the Sublease or the Lease; provided that nothing contained in this paragraph shall abrogate Authority's rights to be indemnified as provided in the Sublease and the Lease. All the foregoing rights, titles, interests, property, estate, claims and demands so sold, transferred, delivered and assigned, are herein collectively referred to as the "Assigned Property." This assignment is absolute and unconditional and is not intended to be merely the grant of a security interest to Purchaser. This assignment is made without recourse to Authority, except as provided herein.

It is intended that the conveyance of Authority's right, title and interest in the Assigned Property pursuant to this Assignment shall constitute a purchase and sale and not a loan for federal and relevant state tax, bankruptcy and other purposes and hereafter Authority shall have no interest in the Assigned Property, and in the event of the bankruptcy of Authority the Assigned Property shall not be part of Authority's bankruptcy estate. Nonetheless, as a precaution in the event that, contrary to the intent of the parties hereto, it is contended that Authority has not sold or absolutely assigned the Assigned Property, but rather has received from Purchaser a loan or extension of credit secured by the Assigned Property, with Authority retaining an ownership interest therein, Authority hereby assigns, pledges and grants to Purchaser a first priority lien on and security interest in all right, title and interest Authority now or hereafter acquires in and to the Assigned Property sold, transferred, delivered, assigned and conveyed by Authority under this Assignment, as security for the repayment of such ostensible loan or extension of credit, as well as for the full and timely performance by Authority of each of its obligations hereunder.

(b) In consideration of the sale, transfer, conveyance and assignment provided for in subparagraph (a) of this Paragraph 1, Purchaser has paid or caused to be paid to or for the benefit of Authority, in immediately available funds, the purchase price of \$12,397,422.39.

2. Assigned Payments. Authority has given written notice of this Assignment to the City, and all Base Rental Payments that are or become payable pursuant to the Sublease from and after the date of this Assignment shall be made directly to the City of Stockton 425 North El Dorado Street, Stockton, CA 95202, or as otherwise directed by Purchaser.

3. Warranties and Covenants. Authority hereby represents, warrants and covenants to and with Purchaser that, as of the date hereof:

(a) Authority is a joint powers authority duly organized and validly existing under the laws of the State of California, with powers and authority to own its properties and carry on its operations as now being conducted.

(b) Authority has full power, authority and legal right to enter into and perform its obligations under this Assignment and with respect to the Assigned Property. The execution, delivery and performance of this Assignment have been duly authorized by all necessary action on the part of Authority.

(c) The execution, delivery and performance of this Assignment do not contravene any law, governmental rule, regulation, order or ordinance of any governmental entity having jurisdiction over and binding on Authority or the organizational document or bylaws of Authority and do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which Authority is a party or by which it or its property is bound.

(d) There are no pending or threatened actions or proceedings before any court or administrative agency that will materially adversely affect the condition, business or

operation of Authority or the ability of Authority to perform its obligations under this Assignment.

(e) The Lease, the Sublease and this Assignment are legal, valid and binding obligations of Authority, which are enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable laws relating to bankruptcy, moratorium, insolvency or creditors' rights or by the application of principles of equity.

(f) Immediately prior to the transfer and assignment provided for by this Assignment, Authority had good and marketable title to the Assigned Property, free and clear of all claims, liens, security interests and encumbrances. This Assignment vests in Purchaser full right, title and interest in and to the Assigned Property, in each instance free and clear of all claims, liens, security interests and encumbrances of any kind or character, and the same shall be and remain free of all claims, liens, security interests and encumbrances arising through any act or omission of Authority or any person claiming by, through or under it.

(g) Authority has not assigned, sold, transferred, pledged or otherwise granted an interest, and hereby covenants that it will not assign, sell, transfer, pledge or otherwise grant an interest in or to the whole or any part of the Assigned Property sold, transferred, delivered, conveyed and assigned pursuant to this Assignment to anyone other than Purchaser. Authority will make appropriate notations on its books and records with entries regarding the Assigned Property indicating the entering into of this Assignment.

(h) No event of default has occurred and is continuing under the Lease or Sublease, and, to the best knowledge of Authority, no event has occurred that, with the lapse of time or the giving of notice or both, would constitute an event of default under the Lease or Sublease.

(i) Authority has given notice to the City of this Assignment and obtained the written acknowledgment of the City to this Assignment.

(j) Authority has no right or obligation to repurchase the Assigned Property from Purchaser. Authority retains no interest whatsoever in the Assigned Property, except for rights of indemnification.

(k) Authority will make no amendment or modification to the Assigned Property without the prior written consent of Purchaser.

(l) No arrangement exists whereby Authority is to protect Purchaser against (i) the risk of fluctuations in the market value of the Assigned Property or (ii) the risk of nonpayment by the City.

(m) The principal place of business and chief executive office of Authority is located at 425 North El Dorado Street, CA 95202.

4. Purchaser Representations, Warranties and Acknowledgements. Purchaser represents, warrants and acknowledges as follows:

(a) The Purchaser acknowledges that any transfer of the Sublease or the Lease Certificates shall be restricted as provided in clause (b) below and that any transfer shall only be effective unless and until a notice of assignment is given to the Authority and the City. When presented with notice of the assignment, the Authority and City will acknowledge the assignment for the benefit of the Purchaser or any assignee;

(b) The Sublease is being acquired by the Purchaser for investment and not with a view to resell the Sublease, and the Purchaser acknowledges that the Sublease shall only be transferred or resold to any affiliate of Purchaser or to a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933; that the Sublease shall only be transferred in whole and that the Purchaser shall not transfer any fractional interest in the Sublease;

(c) The Purchaser is a “qualified institutional buyer,” as defined in Rule 144A of the Securities Act of 1933 and has such knowledge and experience in financial and business matters in general and in particular with respect to this type of investment that it is capable of evaluating the merits and risks of an investment in the Assigned Property, has evaluated and understands the risks and terms of investing in the Assigned Property and is able to bear the economic risk of an entire loss in this investment;

(d) All documents, records and books pertaining to this investment requested by Purchaser have been made available to the Purchaser and its attorneys, accountants or investor representatives, and the Purchaser has been afforded the opportunity to ask questions concerning the purchase of the Assigned Property; and

(e) The Purchaser acknowledges that the Assigned Property is exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that neither the Authority nor the City has undertaken to provide any continuing disclosure with respect to the Assigned Property.

5. Further Assurances. Authority, from time to time, at the request and cost and expense of Purchaser, shall execute and deliver such further acknowledgments, agreements and instruments of assignment, transfer and assurance and do all such further acts and things as may be reasonably necessary or appropriate in the opinion of Purchaser to give effect to the provisions hereof and to further confirm the rights, titles and interests hereby sold, assigned and transferred to Purchaser.

6. Severability; Rights Cumulative. If any part of this Assignment shall be contrary to any law that Purchaser might seek to apply or enforce or should otherwise be defective, the other provisions hereof shall not be affected thereby but shall continue in full force and effect, to which end they are hereby declared severable. All rights, remedies and powers of Purchaser hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies and powers given hereunder, or in or by any other instrument or any other law now existing or hereafter enacted.

7. Notices. Any notice required or permitted to be given by Authority or Purchaser to the other shall be deemed to have been given upon the actual receipt thereof or on the third day

after it is deposited in the United States mail, certified mail, return receipt requested, with proper postage prepaid, whichever is the earlier, and addressed to the party at such address as shown at the beginning of this Assignment or at such other address as one party shall hereafter furnish to the other in writing.

8. Headings. The headings of the paragraphs of this Assignment are for convenience only and shall not be used to interpret or construe this Assignment.

9. Defined Terms. Capitalized terms used, but not defined, herein shall have the same meanings when such terms are used in the Sublease.

10. Entirety; Amendments. This Assignment contains the entire agreement between Authority and Purchaser with respect to the subject matter hereof and supersedes all prior agreements and understandings relating thereto. No other agreements will be effective to change, modify or terminate this Assignment in whole or in part unless such agreement is in writing and duly executed by Authority and Purchaser. No representations, inducements, promises or agreements, oral or otherwise, that are not embodied herein (or any other written instrument or document delivered pursuant hereto or in connection herewith) will be of any force or effect.

11. Parties Bound. This Assignment shall be binding on Authority and its successors and assigns, and shall inure to the benefit of Purchaser and its successors and assigns.

12. Governing Law. The substantive laws of the State of California shall govern the validity, construction, enforcement and interpretation of this Assignment and the rights of the parties hereunder.

13. Counterparts. The Assignment may be executed in any number of separate counterparts by the parties hereto and each counterpart when so executed shall be deemed to be our original and all such counterparts when taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, Authority and Purchaser have duly executed this Assignment by one of their respective officers thereunto duly authorized, as of the date first above written.

STOCKTON PUBLIC FINANCING
AUTHORITY

By: _____
Authorized Officer

Attest:

Bret Hunter, Secretary

CITY OF STOCKTON

By: _____
Chief Financial Officer

APPROVED:
CITY OF STOCKTON

Chief Financial Officer

EXHIBIT "A-1"
FACILITIES LOCATION AND DESCRIPTION

2006 Leased Assets

Location: City of Stockton, San Joaquin County, California

Description: Parcel One

A portion of Block 1, East of Center Street, in the City of Stockton, San Joaquin County, California, according to the Official Map or Plat thereof and described as follows: All of Lots 1, 3, 5, 7, 9, 11, 13, 14, 15 and 16 and a portion of Lots 2, 4, 6, 8, 10, and 12, in Block 1, East of Center Street, in the City of Stockton, according to the Official Map or Plat thereof, and described as follows: Beginning at the Northwest corner of said Block 1; thence Southerly along the West line thereof, a distance of 204.00 feet~ thence Easterly parallel with the North line of said Block 303.00 feet to the East line of said Block; thence Northerly along the East line of said Block, 204.00 feet to the Northeast corner of said Block; thence Westerly along the North line of said Block 303.00 feet to the true point of beginning.

APN: 149 020 01

Description: Parcel Two

A portion of Block 1, East of Center Street, in the City of Stockton, San Joaquin County, California, according to the Official Map or Plat thereof, and described as follows: A portion of Lots 2, 4, 6, 8, 10 and 12, in Block 1, East of Center Street, in the City of Stockton, according to the Official Map or Plat thereof, and described as follows: Commencing at the Southwest corner of said Block 1; thence Northerly along the West line, thereof, a distance of 74.00 feet to the true point of beginning; thence Easterly parallel with the South line of said Block 1, a distance of 303.00 feet to the East line of said Block 1; thence Northerly along the East line of said Block 1, a distance of 25.00 feet; thence Westerly parallel with the North line of said Block 11 a distance of 303.00 feet of the West line of said Block 1; thence Southerly along the January line of said Block 11 a distance of 25feet to the true point of beginning.

APN: 149 020 01

EXHIBIT "A-2"
EQUIPMENT LOCATION AND DESCRIPTION

2007 Leased Assets

Location: City of Stockton, San Joaquin County, California

Description: One (1) 2008 Pierce Fire Truck

Asset: A5191

VIN #: 4P1CU01H28A008085

Description: One (1) 2008 Ford Water Rescue Vehicle

Asset: A5197

VIN #: 1FDAW57R98ED05124

EXHIBIT "A-3"
EQUIPMENT LOCATION AND DESCRIPTION

2015 Leased Assets

Location: City of Stockton, San Joaquin County, California

Description: One (1) 2015 EXT 100' Tractor Drawn Aerial Fire Vehicle

City Tag: 20068
Asset: A5506
VIN #: 54F2DC609GWM11428

Description: Three (3) 2015 3/16" FX 1500 GPM Pumpers Fire Engines

Asset: A5502
VIN #: 54F2CB612GWM11468

Asset: A5503
VIN#: 54F2CB619GWM11466

Asset: A5504
VIN#: 54F2CB610GWM11467

EXHIBIT "A-4"
EQUIPMENT LOCATION AND DESCRIPTION

2017 Leased Assets

Location: City of Stockton, San Joaquin County, California

Description: Two (2) 2017 Rosenbauer, 3/16" FX 1500 GPM Pumper with a Commander Custom Chassis

Asset: A5546
VIN #: 54F2CA709JWM12060

City Tag: 20070
Asset: A5547
VIN#: 54F2CA700JWM12061

Description: One (1) 2016 Rosenbauer, 100' EXT Tractor Drawn Aerial with a Commander 400 Custom Chassis

Asset: A5548
VIN #: 54F2EC60XJWM12057