

**CITY OF MONTEREY
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2004**

Total assessed value of all real/personal property	\$ 3,224,652,915
Debt limit percentage (per Government Code)	<u>15%</u>
Total debt limit	483,697,937
Amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	<u><u>\$ 483,697,937</u></u>

Section 43605 of the Government Code of the State of California limits the amount of general bonded indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City.

The City of Monterey has no general bonded indebtedness.