

NEW ISSUE - FULL BOOK-ENTRY

NOT RATED

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

\$17,195,000
BRENTWOOD INFRASTRUCTURE FINANCING AUTHORITY
CIFP 2006-1 Infrastructure Revenue Bonds
Series 2006
(Contra Costa County, California)

Dated: Date of Delivery

Due: September 2, as shown below

The \$17,195,000 CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006 (the "Bonds") are being issued by the Brentwood Infrastructure Financing Authority (the "Issuer" or the "Authority") to purchase limited obligation improvement bonds (the "Local Obligations") issued by the City of Brentwood, California (the "City"), to fund a reserve fund for the Bonds, and to pay the cost of issuance of the Bonds.

The Bonds are special obligations of the Issuer, payable from and secured by Revenues (as defined herein) of the Issuer consisting primarily of payments received by the Issuer from the City in connection with the Local Obligations. Payments under the Local Obligations are calculated to be sufficient to provide the Issuer with money to pay the principal of, premium, if any, and interest on the Bonds when due.

The Local Obligations are being issued by the City pursuant to the provisions of the Improvement Bond Act of 1915, consisting of Division 10 of the Streets and Highways Code of the State of California (the "Local Obligation Statute") to finance the prepayment of certain development impact fees and the acquisition of certain public improvements within the City's Assessment District No. 2006-1 (the "District"). All of the proceedings of the City to form the District and to levy the assessments for the construction and acquisition of the improvements described herein and being financed with proceeds of the Local Obligations have been undertaken pursuant to the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code).

Under the provisions of the Local Obligation Statute, installments of principal and interest sufficient to meet annual Local Obligation debt service are included on the regular county tax bills sent to owners of property against which there are unpaid assessments. These annual assessment installments are to be used to pay debt service on the Local Obligations as it becomes due. See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR."

The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Interest is payable on March 2, 2007, and semiannually thereafter on March 2 and September 2 each year. Principal of and premium, if any, on the Bonds are payable at the corporate trust office of the Trustee. Ultimate purchasers of Bonds will not receive physical bonds representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Holders shall mean Cede & Co., and shall not mean the ultimate purchasers of the Bonds. Payments of the principal of, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co., by the Trustee, so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX G - The Book-Entry System."

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS - Redemption."

Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the District. In the event of delinquency, foreclosure proceedings may be conducted only against the real property securing the delinquent assessment. Thus, the value of the real property within the District is a critical factor in determining the investment quality of the Bonds. Information from an appraisal of land values within the District is set forth in Appendix A hereto. The unpaid assessments are not required to be paid upon sale of property 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.

To provide funds for payment of the Bonds and the interest thereon as a result of any delinquent assessment installments, the Issuer will establish a Reserve Fund and deposit therein Bond proceeds in an amount equal to the Reserve Requirement. See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR - Reserve Fund." Additionally, the City has covenanted to initiate judicial foreclosure in the event of a delinquency by any particular property owner and to commence the procedure as set forth herein. See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR - Covenant to Commence Superior Court Foreclosure."

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

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE CITY, THE COUNTY OF CONTRA COSTA, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. NEITHER THE BONDS NOR THE LOCAL OBLIGATIONS CONSTITUTE A DEBT OF THE CITY WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION. THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING INFORMATION UNDER THE HEADING "BONDOWNERS' RISKS," SHOULD BE READ IN ITS ENTIRETY.

MATURITY SCHEDULE

Due (September 2)	Amount	Interest Rate	Price or Yield	CUSIP† (10727X)	Due (September 2)	Amount	Interest Rate	Price or Yield	CUSIP† (10727X)
2007	\$235,000	3.900%	100.000%	OY 7	2014	\$360,000	4.750%	4.870%	RF 7
2008	280,000	4.000	100.000	OZ 4	2015	380,000	5.000	4.970	RG 5
2009	290,000	4.125	4.200	RA 8	2016	400,000	5.000	100.000	RH 3
2010	305,000	4.250	4.370	RB 6	2017	420,000	5.000	5.020	RJ 9
2011	315,000	4.400	4.520	RC 4	2018	440,000	5.000	5.070	RK 6
2012	330,000	4.500	4.620	RD 2	2019	460,000	5.000	5.100	RL 4
2013	345,000	4.600	4.720	RE 0	2020	485,000	5.000	5.140	RM 2

\$3,460,000 5.125% Term Bonds due September 2, 2026; Yield 5.200% CUSIP† No. 10727X RN 0

\$8,690,000 5.200% Term Bonds due September 2, 2036; Yield 5.250% CUSIP† No. 10727X RP 5

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The Bonds are offered when, and if issued and accepted by the Underwriter subject to the approval as to their legality, of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer and the City by the City Attorney, and by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. It is expected that the Bonds will be available for delivery in book-entry form on or about August 16, 2006.



BRENTWOOD INFRASTRUCTURE FINANCING AUTHORITY

City of Brentwood

City Council and Authority Members

Brian Swisher, Mayor/Chairperson of the Authority
Ana B. Gutierrez, Vice Mayor/Vice-Chairperson of the Authority
Annette Beckstrand, Councilmember/Boardmember
Bob Taylor, Councilmember/Boardmember
Robert A. Brockman, Councilmember/Boardmember

City Staff

Donna Landeros, City Manager
Balwinder S. Grewal, Director of Public Works/City Engineer
Pam Ehler, Director of Finance and Information Systems
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Balwinder S. Grewal
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Appraiser

Seevers Jordan Ziegenmeyer
Rocklin, California

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Jones Hall, A Professional Law Corporation
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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the Authority or City, in any press release and in any oral statement made with the approval of an authorized officer of the Authority or City, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements." Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the Authority or City since the date hereof.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriter to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement 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 a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

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

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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OFFICIAL STATEMENT

\$17,195,000
BRENTWOOD INFRASTRUCTURE FINANCING AUTHORITY
CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006
(Contra Costa County, California)

This Official Statement, including the cover page and the appendices hereto, is provided to furnish information regarding the issuance by the Brentwood Infrastructure Financing Authority (the "**Issuer**" or the "**Authority**") of its \$17,195,000 aggregate principal amount of CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006 (the "**Bonds**").

INTRODUCTION

Purposes of the Bonds. The Bonds are being issued by the Authority to provide funds to purchase all of the City of Brentwood Limited Obligation Improvement Bonds, Assessment District No. 2006-1 (the "**Local Obligations**") issued by the City of Brentwood, California (the "**City**"). Proceeds of the Bonds will also be used to fund a Reserve Fund and to pay the costs of issuance of the Bonds and the Local Obligations. See "ESTIMATED SOURCES AND USES OF FUNDS."

Authority for Issuance. The Bonds are issued pursuant to the terms of a Trust Agreement dated as of August 1, 2006 (the "**Trust Agreement**") among the Issuer, the City and U.S. Bank National Association, San Francisco, California, as trustee (the "**Trustee**"). The Local Obligations will be issued simultaneously with the issuance of the Bonds and consist of a single series of limited obligation improvement bonds issued by the City pursuant to the provisions of the Improvement Bond Act of 1915, consisting of Division 10 of the Streets and Highways Code of the State of California (the "**Local Obligation Statute**") primarily to finance the prepayment of certain development impact fees and the acquisition of certain public improvements within Assessment District No. 2006-1 (the "**District**") within the City, and to provide a reserve fund for the Bonds. All of the proceedings of the City to form the District and to levy the assessments for the prepayment of certain development impact fees and acquisition of the improvements described herein and being financed with proceeds of the Bonds have been undertaken pursuant to the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code) (the "**Act**").

Security for the Bonds. The Bonds are special limited obligations of the Issuer, payable solely from and secured by Revenues (as defined herein) of the Issuer consisting primarily of payments received by the Issuer from the City on the Local Obligations. Timely payments of the Local Obligations are calculated to be sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. The Local Obligations are issued upon and are secured by assessments (sometimes herein referred to as the "**Assessments**") levied against property in the District and interest thereon and such unpaid assessments and interest constitute a trust fund for the redemption and payment of the Local Obligations.

Unpaid Assessments (and the Local Obligations) do not constitute a personal indebtedness of the owners of the parcels within the District and the owners have made no commitment to pay the principal of or interest on the Bonds or the Local Obligations. In the event of delinquency, proceedings may be conducted only against the real property securing the delinquent assessment. The unpaid assessments are not required to be paid upon sale of property within the District.

The District. The District consists of land, which also represents a portion of the City's Capital Improvement Financing Program ("**CIFP**") 2006-1, of three components: (i) undeveloped property planned for residential development, and (ii) parcels owned by individual homeowners. Combined, the categories yield a total land area in the District of approximately 369.30 acres. The development property in the District is currently held under four separate developer ownerships. All of such undeveloped property is entitled for the anticipated uses. See "THE DISTRICT."

The Improvements. The District has been formed primarily to finance infrastructure improvements (or the prepayment of certain development impact fees and acquisition thereof) necessary for development in the District (collectively, the "**Improvements**") consisting generally of sanitary sewer lines, storm drain lines, roadway improvements, water lines and improvements, and parks and trails facilities. See "THE IMPROVEMENT PROJECT."

Property Ownership. Undeveloped property within the District planned for residential use is currently owned or controlled (via a purchase agreement) by four homebuilder entities. See the information under the caption "THE DISTRICT – Property Within the District and Anticipated Development" below.

Valuation and Value to Lien Ratio. Property in the District is security for the Assessments. The City authorized the preparation of an appraisal report for the undeveloped real property within the District subject to Assessments, which sets forth an aggregate value of such property of \$158,710,000 as of May 19, 2006. The valuation is based upon a bulk sale calculation for each ownership interest and/or lot type and not as a bulk value for a single sale of all the property in the District. The valuation assumes completion of the Improvements funded by the Bonds and accounts for the impact of the lien of the Assessments securing the Bonds. See "THE IMPROVEMENTS." In considering the estimates of value evidenced by the appraisal, it should be noted that the appraisal is based upon a number of standard and special assumptions which affected the estimates as to value, in addition to the assumption of completion of a portion of the Improvements. In addition, the County has obtained the Fiscal Year 2005-06 County assessed valuation (the "**Assessed Valuation**") of \$1,229,426 for the parcels held by individual homeowners in the District. Using these estimates, the aggregate valuation of property in the District is approximately 9.29 times the \$17,212,332 aggregate principal amount of the lien of the outstanding Assessments. See "VALUE OF PROPERTY WITHIN THE DISTRICT" and Appendix A.

Risks of Investment. See the section of this Official Statement entitled "BONDOWNERS' RISKS" for a discussion of special factors that should be considered, in addition to the other matters set forth herein, in considering the investment quality of the Bonds.

Limited Obligation of the City. The general fund of the City is not liable and the full faith and credit of the City is not pledged for the payment of the interest on, or principal of or redemption premiums, if any, on the Local Obligations or the Bonds. The Bonds and the Local Obligations are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the City or any of its income or receipts, except as provided in the Indenture, and neither the payment of the interest on nor principal of or redemption premiums, if any, on the Bonds or the Local Obligations is a general debt, liability or obligation of the City. The Bonds and the Local Obligations do not constitute an indebtedness of the City or the Authority within the meaning of any constitutional or statutory debt limitation or restrictions and neither the City Council, the City nor any officer or employee thereof are liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds or the Local Obligations other than from the proceeds of the Assessments as provided in the Indenture.

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

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

All financial and other information presented in this Official Statement has been provided by the Issuer and the City from their records, except for information expressly attributed to other sources, including information under the caption "THE DISTRICT - Property Within the District and Anticipated Developments" which has been obtained from the various owners and developers of property in the District. The presentation of information includes projections, which are not intended to indicate future certainties regarding the financial or other affairs of the owners or developers, the District, the Issuer or the City.

THE BONDS

Authority For Issuance

The Bonds are special obligations of the Issuer payable from and secured by payments made under certain limited obligation improvement bonds (the "**Local Obligations**") issued by the City and secured by assessments, as described herein. The Local Obligations will be purchased by the Issuer pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, as amended from time to time (the "**Marks-Roos Law**"). The Bonds are being issued pursuant to the provisions of Resolution No. BIFA-015 adopted by the Issuer on July 11, 2006, and the Trust Agreement.

The District was established and bonded indebtedness of the District was authorized in the amount not to exceed \$20,000,000. The authorization for such bonds was pursuant to provisions of the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code) (the "**Act**"), the Improvement Bond Act of 1915 (Division 10 of the California Streets and Highways Code) (the "**Local Obligation Statute**") and proceedings taken by the City pursuant to a resolution of intention adopted by the City Council with respect to the District (the "**Resolution of Intention**.") The Local Obligations are being issued pursuant to the provisions of Resolution No. 2006-169 adopted by the City Council on July 11, 2006 (the "**Local Obligation Resolution**"). After issuance of the Local Obligations, no other additional bonds with respect to the District are authorized.

Issuance of the Bonds

The Bonds will be dated the date of original delivery. The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. The Bonds shall be initially registered in the name of "Cede & Co." as nominee of DTC, and shall bear interest from the Dated Date.

While the Bonds are subject to the book-entry system, the principal, interest and any prepayment premium with respect to a Bond will be paid by the Trustee to DTC, which in turn is obligated to remit such payment to its DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds as described herein. Ultimate purchasers of Bonds will not receive physical bonds representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Holders shall mean Cede & Co., and shall not mean the ultimate purchasers of the Bonds. Payments of the principal of, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co., by the Trustee, so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX G – The Book-Entry System."

The principal of and redemption premiums, if any, on the Bonds shall be payable at the Corporate Trust Office of the Trustee in St. Paul, Minnesota, upon presentation and surrender of such Bonds. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest with respect to the Bonds will be payable at the rates set forth on the

cover page of this Official Statement on March 2 and September 2 of each year, commencing March 2, 2007 (each, an "**Interest Payment Date**"), and principal of the Bonds will be payable in the amounts and on the maturity dates set forth on the cover page of this Official Statement (subject to the right of prior redemption). The principal of and redemption premiums, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Payment of the interest on any Bond shall be made to the Person whose name appears on the Bond Register as the Owner thereof as of the close of business on the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date, for that purpose; except that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of Bonds, upon written request of such Owner to the Trustee, in form satisfactory to the Trustee, received not later than the Record Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer to an account in the United States.

Application of Proceeds of the Bonds and the Local Obligations

Proceeds from the sale of the Bonds are expected to be used to purchase the Local Obligations at a discount from the par amount thereof (which discount amount will be applied on the City's behalf to the Reserve Fund and certain costs of issuance for the Bonds). Proceeds of the Local Obligations will be used by the City to finance the prepayment of certain development impact fees and acquisition of roadway, sewer, water and storm drainage facilities and related public infrastructure of benefit to properties within the District. See "THE IMPROVEMENT PROJECT."

For a discussion of the accounts and funds established under the Trust Agreement and related to the Bonds, see "APPENDIX D - SUMMARY OF PRINCIPAL LEGAL DOCUMENTS." For a schedule of the estimated sources and uses of funds related to the issuance of the Bonds and the Local Obligations, see "ESTIMATED SOURCES AND USES OF FUNDS."

Redemption

Extraordinary Redemption. The Bonds shall be subject to extraordinary redemption as a whole or in part on any Interest Payment Date, and shall be redeemed by the Trustee, from moneys transferred from the Revenue Fund to the Redemption Fund pursuant to the Trust Agreement, and derived as a result of Property Owner Prepayments, at a redemption price as shown below, expressed as a percentage of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

<u>Redemption Date</u>	<u>Redemption Premium</u>
March 2, 2007 through September 2, 2015	3.0%
March 2, 2016 and September 2, 2016	2.0
March 2, 2017 and September 2, 2017	1.0
March 2, 2018 and thereafter	0.0

Optional Redemption. The Bonds are subject to optional redemption as a whole or in part on any date, at the option of the Issuer from any moneys deposited in the Redemption Fund from any source for such purpose by the Issuer, including from Property Owner Prepayments, at a redemption premium equal to the amount shown below expressed as a percentage of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the redemption date:

<u>Redemption Date</u>	<u>Redemption Premium</u>
March 2, 2007 through September 2, 2015	3.0%
September 3, 2015 through September 2, 2016	2.0
September 3, 2016 through September 2, 2017	1.0
September 3, 2017 and thereafter	0.0

Mandatory Redemption. The Bonds maturing on September 2, 2026 and September 2, 2036 are also subject to mandatory redemption in part by lot on September 2 in each year commencing September 2, 2021 and September 2, 2027 respectively, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedules:

Term Bonds of 2026

<u>Year (September 2)</u>	<u>Amount</u>
2021	\$505,000
2022	535,000
2023	560,000
2024	590,000
2025	620,000
2026 (maturity)	650,000

Term Bonds of 2036

<u>Year (September 2)</u>	<u>Amount</u>
2027	\$685,000
2028	720,000
2029	760,000
2030	795,000
2031	840,000
2032	880,000
2033	930,000
2034	975,000
2035	1,025,000
2036 (maturity)	1,080,000

In the event that Bonds subject to the above mandatory redemption are redeemed in part prior to their stated maturity date from any moneys other than Principal Installments, the remaining Principal Installments for such Bonds shall be reduced proportionately in each year remaining until and including the final maturity date of such Bonds.

Notice of Redemption. In the case of any redemption of Bonds, the Trustee shall determine that it has in the Funds maintained pursuant to the Trust Agreement and available therefor sufficient moneys on hand to pay the principal of, the interest on, and the redemption premium, if any, to make any such redemption. Subject to receipt of the Written Order of the Issuer, if sufficient moneys are available for such redemption, the Trustee shall give notice, as hereinafter in this section provided, that Bonds, identified by CUSIP numbers, serial numbers and maturity date, have been called for redemption and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof at the Corporate Trust Office, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Bonds, or portions thereof, so to be redeemed will cease to accrue on and after such date and that from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under the Trust Agreement, and the Owner thereof shall have no rights in respect of such redeemed Bond or such portion except to receive payment from such moneys of such redemption price plus accrued interest to the date fixed for redemption. Such notice shall be mailed by first class mail, in a sealed envelope, postage prepaid, at least 30 but not more than 60 days before the date fixed for redemption, to the Information Services and to the Owners of such Bonds, or portions thereof, so called for redemption, at their respective addresses as the same shall last appear on the Bond Register.

Redemption Instructions. In the event a portion, but not all, of the Outstanding Bonds are to be redeemed pursuant to extraordinary redemption or optional redemption, the Trustee shall select the amounts and maturities of Bonds for redemption in accordance with a Written Order of the Issuer. Upon any prepayment of a Local Obligation or a determination to optionally redeem Bonds, the City and the Issuer shall deliver to the Trustee at least forty-five (45) days prior to the redemption date (unless said notice period is waived by the Trustee) the following: (i) a Written Order of the Issuer to the Trustee designating the maturities and amounts of Bonds to be redeemed and designating the reduction, if any, in the Reserve Requirement required pursuant to the Cash Flow Certificate delivered pursuant to subsection (ii) below, resulting from such redemption; (ii) a Cash Flow Certificate certifying that the anticipated or scheduled Revenues to be received from the Local Obligations will be sufficient in time and amount (together with funds then held under the Trust Agreement representing payments under the Local Obligations and available therefore, but excluding amounts on deposit in the Reserve Fund or earnings thereon) to make all remaining scheduled Principal Installments with respect to, and interest on, the Outstanding Bonds after such redemptions. The Cash Flow Certificate shall indicate the amount which must be withdrawn from the Reserve Fund to redeem a portion of the Bonds in order to prevent any reduction in the proportional relationship between principal and interest remaining due on the Local Obligations and principal and interest remaining due on the Bonds as existed prior to such redemption.

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

Payment of Redeemed Bonds. Bonds or portions thereof called for redemption shall be due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Bonds to be redeemed at the office specified in the notice of redemption. If there shall be called for redemption less than the full principal amount of a Bond, the Issuer shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond, and without charge to the Owner thereof, Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Bonds so surrendered in such Authorized Denominations as shall be specified by the Owner. If any Bond or any portion thereof shall have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, shall have been made or provided for by the Issuer, then interest on such Bond or such portion shall cease to accrue from such date, and from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under the Trust Agreement, and the Owner thereof shall have no rights in respect of such Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

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

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the Bonds are estimated to be disbursed as set forth below:

<u>Sources:</u>	
Principal Amount of Bonds	\$17,195,000.00
Less: Net Original Issue Discount	<u>(122,629.35)</u>
Total Sources	17,072,370.65
 <u>Uses:</u>	
Deposit to Proceeds Fund	14,750,702.00
Deposit to Reserve Fund	1,139,455.00
Costs of Issuance ⁽¹⁾	<u>1,182,213.65</u>
Total Uses	\$17,072,370.65

⁽¹⁾ Includes the fees and expenses of Bond Counsel and Disclosure Counsel, Underwriter's discount, cost of printing the Preliminary and final Official Statements, and Trustee fees and expenses.

DEBT SERVICE SCHEDULE

The annual debt service on the Bonds is set forth below.

BRENTWOOD INFRASTRUCTURE FINANCING AUTHORITY
CIFP 2006-1 Infrastructure Revenue Bonds
Series 2006
ANNUAL DEBT SERVICE

<u>Year Ending (September 2)</u>	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Total</u>
2007	\$235,000	\$903,888.33	\$1,138,888.33
2008	280,000	856,260.00	1,136,260.00
2009	290,000	845,060.00	1,135,060.00
2010	305,000	833,097.50	1,138,097.50
2011	315,000	820,135.00	1,135,135.00
2012	330,000	806,275.00	1,136,275.00
2013	345,000	791,425.00	1,136,425.00
2014	360,000	775,555.00	1,135,555.00
2015	380,000	758,455.00	1,138,455.00
2016	400,000	739,455.00	1,139,455.00
2017	420,000	719,455.00	1,139,455.00
2018	440,000	698,455.00	1,138,455.00
2019	460,000	676,455.00	1,136,455.00
2020	485,000	653,455.00	1,138,455.00
2021	505,000	629,205.00	1,134,205.00
2022	535,000	603,323.76	1,138,323.76
2023	560,000	575,905.00	1,135,905.00
2024	590,000	547,205.00	1,137,205.00
2025	620,000	516,967.50	1,136,967.50
2026	650,000	485,192.50	1,135,192.50
2027	685,000	451,880.00	1,136,880.00
2028	720,000	416,260.00	1,136,260.00
2029	760,000	378,820.00	1,138,820.00
2030	795,000	339,300.00	1,134,300.00
2031	840,000	297,960.00	1,137,960.00
2032	880,000	254,280.00	1,134,280.00
2033	930,000	208,520.00	1,138,520.00
2034	975,000	160,160.00	1,135,160.00
2035	1,025,000	109,460.00	1,134,460.00
2036	<u>1,080,000</u>	<u>56,160.00</u>	<u>1,136,160.00</u>
Total	\$17,195,000	\$16,908,024.59	\$34,103,024.59

SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR

Limited Obligation

The Bonds are secured, by a lien on and pledge of (i) Revenues, as hereinafter defined, (ii) proceeds of Bonds held by the Trustee in the Reserve Fund, and (iii) investment income with respect to any moneys held by the Trustee (other than the Rebate Fund). Revenues (as more particularly defined below) consist primarily of payments made under the Local Obligations.

The Local Obligations are a limited obligation of the City and secured by an irrevocable pledge of certain revenues of the City, consisting primarily of monies received by the City as payment of assessments levied against property within the District which secure the Local Obligations. Payments under the Local Obligations are calculated to be sufficient to provide the Issuer with money to pay the principal of, premium, if any, and interest on the Bonds when due.

All obligations of the Issuer under the Trust Agreement and the Bonds are special obligations of the Issuer, payable solely from and secured by Revenues and the amounts in the funds established by the Trust Agreement (except amounts in the Rebate Fund). All obligations of the City under the Local Obligation Resolution shall not be general obligations of the City, but shall be limited obligations, payable solely from the assessments and the funds pledged therefor under such Local Obligation Resolution. Neither the faith and credit of the City nor of the State of California (the "State") or any political subdivision thereof is pledged to the payment of the Local Obligations.

The Local Obligations are payable solely from and secured solely by the assessments and the amounts in the Redemption Fund created with respect to such Local Obligations (the "Local Obligation Redemption Fund") under the Local Obligation Resolution. Notwithstanding any other provision of the Local Obligation Resolution, the City is not obligated to advance available surplus funds from the City treasury to cure any deficiency in the Local Obligation Redemption Fund, provided, however, the City is not prevented, in its sole discretion, from so advancing funds.

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

Revenues

The Bonds are secured by a lien on and pledge of Revenues under the Trust Agreement. **"Revenues"** means Local Obligation Revenues and all other amounts received by the Trustee as the payment of interest or premiums on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, all Local Obligations, whether as a result of scheduled payments or Property Owner Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any moneys held in the funds or accounts established under the Trust Agreement, except the Rebate Fund. **"Local Obligation Revenues"** means all moneys collected and received by the City on account of unpaid assessments, reassessments, or special taxes securing the Local Obligations including amounts collected in the normal course via the County property tax roll and thereafter remitted to the City, Property Owner Prepayments, and amounts received by the City as a result of superior court foreclosure proceedings brought to enforce payment of delinquent installments, but excluding therefrom any amounts explicitly included therein on account of collection charges, administrative cost charges, or attorneys fees and costs paid as a result of foreclosure actions. **"Property Owner Prepayments"** means that portion of Revenues which are initially paid to the City by or on behalf of a property owner to accomplish pay-off and discharge of a lien securing Local Obligations (except the portion, if any, of such Revenues which represents accrued interest on the Local Obligations) and which are thereafter transmitted by the City to the Trustee, as assignee of the Issuer with respect to the Local Obligations, for deposit in the Redemption Fund for application in accordance with the provisions of the Trust Agreement.

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

In the Trust Agreement, the City expressly acknowledges that, pursuant to the Local Obligation Statute and the Local Obligation Resolution, the City is legally obligated to establish and maintain a separate redemption fund for the Local Obligations (the **"Local Obligation Redemption Fund"**) and, so long as any part of the Local Obligations remain outstanding, to deposit into the Local Obligation Redemption Fund, upon receipt, any and all Local Obligation Revenues received by the City. The City further acknowledges in the Trust Agreement that, pursuant to the Local Obligation Statute and the resolutions under which the Local Obligations were issued, no temporary loan or other use whatsoever may be made of the Local Obligation Revenues, and the Local Obligation Redemption Fund constitutes a trust fund for the benefit of the owners of the Local Obligations and the City covenants for the benefit of the Issuer, as owner of the Local Obligations, the Trustee, as assignee of the Issuer with respect to the Local Obligations, and the Owners from time to time of the Bonds, that it will establish, maintain and administer the Local Obligation Redemption Fund and the Local Obligation Revenues in

accordance with their statutes as trust funds as prescribed by the Local Obligation Statute, the resolutions under which the Local Obligations were issued, and the Trust Agreement.

No later than 10 Business Days prior to each Interest Payment Date and Principal Payment Date on the Bonds, the City will advance to the Trustee against payment on the Local Obligations, the interest due on the Local Obligations on such Interest Payment Date and the principal of all Local Obligations maturing on such Principal Payment Date, respectively, and upon receipt by the Trustee, such amounts shall constitute Revenues. All Revenues, other than Revenues derived from Property Owner Prepayments (which shall be deposited in the Redemption Fund and administered in accordance with the Trust Agreement), received by the Trustee shall be deposited by the Trustee into the Revenue Fund. Not later than 5 Business Days prior to each Interest Payment Date and Principal Payment Date on the Bonds, the Trustee shall transfer Revenues from the Revenue Fund, in the amounts specified in the Trust Agreement, for deposit into the Interest Fund, Principal Fund, Reserve Fund and Expense Fund in the order of priority set forth therein. Any amount remaining in the Revenue Fund after making such deposits shall be transferred to the City.

Assessments

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

Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the District and the owners have made no commitment to pay the principal of or interest on the Bonds. In the event of delinquency, proceedings may be conducted only against the real property securing the delinquent assessment. Thus, the value of the real property within the District is a critical factor in determining the investment quality of the Bonds. An appraisal of land values within the District is set forth in Appendix A hereto (excluding the Addenda thereto). The unpaid assessments are not required to be paid upon sale of property within the District. There is no assurance the owners shall be able to pay the assessment installments or that they shall pay such installments even though financially able to do so.

The assessment installments will be collected and transferred by the County to the City in approximately equal semi-annual installments, together with interest on the declining balances, and are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general property taxes. 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.

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

Contra Costa County Tax Loss Reserve

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

In October 1959, this method of apportioning taxes was extended to all assessments then being collected on the County tax roll. Although a local agency currently receives the total levy for its special assessments, without regard to actual collections, the basic legal liability for assessment deficiencies at all times remains with the sponsoring agency and, therefore, the alternative method of tax apportionment only assists the agency in the current financing of the maturing debt service requirements. The Board of Supervisors may discontinue the procedures under the Teeter Plan altogether, or with respect to any tax or assessment levying agency in the County, if the rate of secured tax and assessment delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency.

The special assessment installments for the District will be collected pursuant to the procedures described above. Thus, so long as the County maintains its policy of collecting assessments pursuant to said procedures and the City meets the Teeter Plan requirements, the City will receive 100% of the annual assessment installments levied without regard to actual collections in the District. There is no assurance, however, that the County Board of Supervisors will maintain its policy of apportioning assessments pursuant to the aforementioned procedures.

Priority of Lien

The assessments and each installment thereof and any interest and penalties thereon constitute a lien against the parcels on which they were imposed until the same are paid. Such lien is subordinate to all fixed special assessment liens previously imposed upon the same property, but has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property. Such lien is co-equal to and independent of the lien for general taxes and any lien imposed under the Mello-Roos Community Facilities Act of 1982, as amended. There are currently no other assessment liens or special taxes on any of the property within the District.

Limited Obligation Upon Delinquency

ALL OBLIGATIONS OF THE ISSUER UNDER THE TRUST AGREEMENT AND THE BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM AND SECURED BY REVENUES AND THE AMOUNTS IN THE RESERVE FUND. THE LOCAL OBLIGATIONS ARE LIMITED OBLIGATION IMPROVEMENT BONDS UNDER SECTION 8769 OF THE LOCAL OBLIGATION STATUTE AND ARE PAYABLE SOLELY FROM AND ARE SECURED SOLELY BY THE ASSESSMENTS AND THE AMOUNTS IN THE LOCAL OBLIGATION REDEMPTION FUND.

THE ISSUER AND THE CITY HAVE NO OBLIGATION TO ADVANCE MONIES TO PAY BOND DEBT SERVICE IN THE EVENT OF DELINQUENT ASSESSMENT INSTALLMENTS. BONDOWNERS SHOULD NOT RELY UPON THE CITY TO ADVANCE MONIES TO THE LOCAL OBLIGATION REDEMPTION FUND. NOTWITHSTANDING THE FOREGOING, THE CITY MAY, AT ITS SOLE OPTION AND IN ITS SOLE DISCRETION ELECT TO ADVANCE AVAILABLE SURPLUS FUNDS OF THE CITY TO PAY FOR ANY DELINQUENT INSTALLMENTS PENDING SALE, REINSTATEMENT, OR REDEMPTION OF ANY DELINQUENT PROPERTY.

Collection of Assessments

Pursuant to the Act and the Local Obligation Statute, installments of principal and interest sufficient to meet annual debt service on the Local Obligations will be billed by the County to the owner of each parcel within the District to which the issue of Local Obligations relates and against which there are assessments. Upon receipt by the County and transfer to the City, assessment installments are to be deposited into the Local Obligation Redemption Fund, which shall be held by the City and used to pay principal and interest payments on such issue of Local Obligations as they become due. The assessment installments billed against each parcel each year represent pro rata shares of the total principal and interest coming due that year, based on the percentage which the assessment against that parcel bears to the total of assessments in connection with the financing. Pursuant to the Local Obligation Resolution, payment of the principal of and interest on each series of Local Obligations is secured by moneys in the Local Obligation Redemption Fund. Moneys in the Local Obligation Redemption Fund will be available to the Trustee for payment of principal of and interest on the Bonds.

The City has no obligation to advance funds to the Local Obligation Redemption Fund except to the extent that delinquent assessments are paid or proceeds from foreclosure sales are realized. Additionally, the City has covenanted to cause the institution of judicial foreclosure proceedings following a delinquency, and thereafter to diligently cause prosecution to completion of such foreclosure proceedings upon the lien of delinquent unpaid assessments as set forth herein. See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR - Covenant to Commence Superior Court Foreclosure." The City is not required to bid at the foreclosure sale. The Bonds are a limited obligation of the Issuer and the Issuer has no obligation to advance funds to pay the Bonds, except as provided in the Trust Agreement.

Reserve Fund

Upon issuance of the Bonds, the Trustee will establish a Reserve Fund and shall deposit therein from proceeds of the Bonds an amount equal to the "**Reserve Requirement**" which is, as of any date of calculation, an amount equal to the Maximum Annual Debt Service on all then Outstanding Bonds, provided, that as of the date of issuance of any Series of Bonds (as defined in the Trust Agreement), the amount required to be deposited in the Reserve Fund shall not exceed the lesser of (a) Maximum Annual Debt Service on the Outstanding Bonds (b) 125% of average Annual Debt Service on the Bonds, or (c) 10% of the amount (within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended) of the Bonds. The monies in the Reserve Fund shall constitute a trust fund for the benefit of the Owners of the Bonds, shall be held by the Trustee, and shall be administered by the Trustee in accordance with and pursuant to the provisions of the Trust Agreement.

All moneys in the Reserve Fund will be used and withdrawn by the Trustee solely for the purpose of paying the interest on or the principal or the redemption premiums, if any, of, the Bonds, but solely in the event that insufficient moneys are available in the Interest Fund, the Principal Fund, or the Redemption Fund for such purpose. All earnings on amounts on deposit in the Reserve Fund will be retained in the Reserve Fund, except that in the event the amount on deposit in the Reserve Fund is equal to the Reserve Requirement, then earnings on the investment of moneys on deposit in the Reserve Fund will be transferred to the City for deposit in the Local Obligation Redemption Fund.

In the event of a Property Owner Prepayment, the Trustee shall transfer to Redemption Fund from the Reserve Fund an amount equal to the proportionate share of the Reserve Fund allocable to such prepayment, and such amount will be credited against the assessment which is being so prepaid.

NEITHER THE ISSUER NOR THE CITY HAVE ANY OBLIGATION TO REPLENISH THE RESERVE FUND EXCEPT TO THE EXTENT THAT DELINQUENT ASSESSMENTS ARE PAID OR PROCEEDS FROM FORECLOSURE SALES ARE REALIZED.

Covenant to Commence Superior Court Foreclosure

The Local Obligation Statute 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, the City has covenanted in the Local Obligation Resolution 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 one hundred fifty (150) days following the date of such delinquency, and thereafter diligently prosecute, judicial foreclosure proceedings upon such delinquent assessment or installment thereof and interest thereon, which foreclosure proceedings shall be commenced and prosecuted without regard to available surplus funds of the City; provided, that the City shall not be required to commence or prosecute any such foreclosure action so long as (i) the City, in its sole discretion, advances funds to the Local Obligation Redemption Fund sufficient in both time and amount to pay when due scheduled principal of and interest on the Bonds and (ii) the amounts on deposit in the Reserve Fund held under the Trust Agreement are equal to the Reserve Requirement (as defined in the Trust Agreement). Pursuant to Section 8831 of the Streets and Highways Code, the City shall be entitled to reasonable attorney's fees from the proceeds of any foreclosure sale.

Under California law, the availability of foreclosure of property for non-payment of the assessment may be limited as to property owned by the City.

Prior to July 1, 1983, the statutory right of redemption from such a judicial foreclosure sale was limited to a period of one year from the date of sale. Legislation effective July 1, 1983 amended this statutory right of redemption to provide that before notice of sale of the foreclosed parcel can be given following court judgment of foreclosure, a redemption period of 120 days must elapse. Furthermore, if the purchaser at the sale is the judgment creditor (here, the City) an action may be commenced by the delinquent property owner within six months after the date of sale to set aside such sale. The constitutionality of the aforementioned legislation which repeals the one-year redemption period has not been tested and there can be no assurance that, if tested, such legislation will be upheld. In the event such Superior Court foreclosure or

foreclosures are necessary, there may be a delay in payments to Owners 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 "BONDOWNERS' RISKS - Bankruptcy and Foreclosure" and "- Collection of the Assessment" herein.

Additional Bonds and Local Obligations

The Trust Agreement does not provide for the issuance and delivery of any additional bonds secured by a lien and charge upon the Revenues equal to and on a parity with the lien and charge securing the Bonds and the City has covenanted that it will not issue any additional bonds for the District, except that additional bonds may be issued to refund the Bonds.

Refunding Bonds

In the Trust Agreement, the City covenants that, so long as any Bonds are Outstanding, it will not cause any Local Obligation to be refunded (in whole or in part) unless the refunding bonds issued to accomplish such refunding are Additional Local Obligations to be acquired by the Issuer pursuant to the Trust Agreement.

THE CAPITAL IMPROVEMENT FINANCING PROGRAM

The City's Capital Improvement Financing Program 2006-1 ("**CIFP 2006-1**") was adopted by the City on July 11, 2006 and is the City's ninth major such program. CIFP 2006-1 is designed to determine and plan the financing of major regional infrastructure improvements required to accommodate the impending development within the District.

Capital Improvement Financing Programs in General

Generally, a capital improvement financing program is the primary tool which sets forth the listing of the major regional infrastructure improvements necessary to accommodate pending growth. As a community grows, the infrastructure servicing the community needs to grow also. Many times the existing infrastructure facilities have the necessary capacity to accommodate the current population, but the addition of new development cannot be accepted by the existing facilities. Typically, as development occurs, the developer is conditioned to make certain improvement to the infrastructure to deal with the impacts that the subdivision generates. Most of the facilities that a developer constructs are specifically needed by the project to sustain only that development such as in-tract streets, sewer, water and storm drainage. Traffic impacts assigned to the development can necessitate off-tract construction of signals and intersections and are assumed to be project specific items directly related to the growth induced by the development. Major infrastructure needed to accommodate growth, such as expanding sewer treatment plant capacity, water storage and distribution, and regional circulation improvements, are a result of the added development, but the individual developments on their own cannot shoulder the burden to incrementally add to the major infrastructure. Mechanisms have been developed to encourage developers to band together to seek out alternatives for providing the needed upgrading of existing city infrastructure as well as those new facilities that are necessary as growth occurs in the various projects. A capital improvement financing program is the foremost method of assuring that the needed infrastructure will be in place when development occurs and new residents and businesses move into the community.

By combining the needs of multiple developments based upon the projected improvements to be constructed, a financial base for the payment of fees for the construction of the major regional infrastructure is established, and thus a method of repayment of bonds is also established. A capital improvement financing program in itself does nothing more than set forth the details of the improvements to be constructed, the responsibilities of the various entities involved with providing the facilities and the amount of cost attributable to each property to be developed. The financing tool is often an assessment district which effectively encumbers the properties (including individual residential units) on a proportionate share basis for the security of the bond repayment.

CIFP 2006-1

The City issued a CIFP 2006-1 Report (the "**CIFP Report**") dated July 11, 2006. The report evaluates and establishes the need for new developments to utilize and construct new, or contribute fees for the use of existing, specific infrastructure improvements that are required by for development of the then-anticipated development within the District and suggests various methods of payment for the facilities. The infrastructure improvements are generally the construction and acquisition of roadway, sewer, water and storm drainage facilities and related public infrastructure, and the payment of fees for use of existing wastewater, water, park and roadway facilities, as described below (the "**Improvements**" as described below) of benefit to properties with in the District.

THE IMPROVEMENT PROJECT

The City Engineer, as the engineer of work (the "**Engineer of Work**") with respect to the Improvements has prepared an Engineer's Report dated July 11, 2006 (the "**Engineer's Report**") for the District. The information in the following section, "THE IMPROVEMENT PROJECT - Description and Cost Estimate of the Improvements" is taken from the Engineer's Report. The Engineer's Report is shown in Appendix B.

The financing provided through the bond issuance will be used for improvements to Sand Creek Road, Garin Parkway, Sunset Road, Lone Tree Way, San Jose Avenue, and O'Hara Avenue. These improvements include but are not limited to drainage, water, sanitary sewer, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, masonry walls, traffic signals and other miscellaneous improvements. Financing provided through the bond issuance will also be used for prepayment of certain development fees.

Description and Cost Estimate of the Improvements

District Improvements. The Engineer's Report for the District identifies the City infrastructure improvements necessary for development in the District, consisting generally of sanitary sewer lines, storm drain lines, roadway improvements, water lines and improvements, and parks and trails facilities or certain City fees related thereto (collectively, the "**Improvements**"). Approved costs which may be reimbursed from Bond proceeds also include the costs associated with the cost of planning, engineering, and designing the Improvements, costs associated with the creation of the District, issuance of the Bonds, determination of the amount of the Assessment, collection of the Assessment and costs otherwise incurred in order to carry out the authorized purposes of the District; and any other expenses incidental to the construction, completion and inspection of the Improvements. The Improvements are described

in detail in the Engineer's Report as items representing separate components of the total work. Details of the nature of each component of the Improvements are set forth in the Description of Work in the Engineer's Report included as Appendix B hereto.

Additional CIFP Improvements. The CIFP Report for the area included in the District identifies the improvements to be constructed and development fees to be paid in connection with the development contemplated by the properties included in CIFP 2006-1. The total cost of the construction improvements identified in the CIFP Report is approximately \$4.11 million. City development fees to be prepaid equal approximately \$10.63 million. Bond related costs for the District, including the reserve fund, are estimated at \$2.46 million, for a total estimated improvement project cost of approximately \$17.21 million.

Summary of Cost Estimates by Owner or Developer. The table on the following page provides, as to each of the various owners of property in the District, a summary of the Engineer of Work's Cost Estimate with respect to the various Improvements and developer fees financed with proceeds of the Local Obligations and allocation of bond issuance costs included in the Assessment.

												TOTAL	
Single Family Residential Projects												Dwelling Units:	
ACQUISITION ITEMS, PREPAY FEES AND BOND ISSUANCE COSTS	SUBD 8548	SUBD 8548	SUBD 8548	SUBD 9050	SUBD_8506	SUBD 8311	MS 359-03	1701 Lone Oak Road	1920 Lone Oak Road	2151 Fairview Ave	805	SFR	
	Standard Pacific Homes small lots 191 Units	Standard Pacific Homes medium lots 193 Units	Standard Pacific Homes large lots 89 Units	Passport Homes 59 Units	West Coast Home Builders 166 Units	Pulte Homes 102 Units	Valle 2 Units	APN 016-100-020 Albright	APN 016-030-004 Hancock	APN 019-060-035 Clenner			
ACQUISITION ITEMS													
1	Sand Creek Road	\$0	\$0	\$0	\$0	\$1,481,550	\$0	\$0	\$0	\$0	\$0	\$1,481,550	
2	Garin Parkway	\$201,505	\$1,030,620	\$856,625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,068,750	
3	Sunsel Road	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4	Lone Tree Way	\$0	\$0	\$0	\$497,075	\$0	\$0	\$0	\$0	\$0	\$0	\$497,075	
5	San Jose Avenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6	O'Hara Ave.	\$0	\$0	\$0	\$0	\$0	\$49,350	\$0	\$0	\$0	\$0	\$49,350	
7												\$0	
8												\$0	
9	SUBTOTAL (1-7)	\$201,505	\$1,030,620	\$856,625	\$497,075	\$1,481,550	\$0	\$49,350	\$0	\$0	\$0	\$4,116,725	
PREPAY FEES													
11	Prepay Roadway Fee	\$382,000	\$386,000	\$178,000	\$0	\$0	\$816,000	\$0	\$0	\$0	\$0	\$1,762,000	
12	Prepay Water Facilities Fee	\$916,800	\$926,400	\$427,200	\$295,000	\$747,000	\$0	\$0	\$6,654	\$6,654	\$0	\$3,325,708	
13	Prepay Wastewater Facilities Fee	\$0	\$0	\$0	\$0	\$498,000	\$357,000	\$0	\$3,973	\$3,973	\$3,973	\$866,919	
14	Prepay Parks & Trails Fee	\$0	\$0	\$0	\$177,000	\$0	\$255,000	\$0	\$0	\$0	\$0	\$432,000	
15	Prepay State Rt 4 Bypass Fee	\$955,000	\$965,000	\$445,000	\$295,000	\$830,000	\$757,350	\$0	\$0	\$0	\$0	\$4,247,350	
16	SUBTOTAL (11 through 15)	\$2,253,800	\$2,277,400	\$1,050,200	\$767,000	\$2,075,000	\$2,185,350	\$0	\$10,627	\$10,627	\$3,973	\$10,633,977	
17	TOTAL COST (9 + 16)	\$2,455,305	\$3,308,020	\$1,906,825	\$1,264,075	\$3,556,550	\$2,185,350	\$49,350	\$10,627	\$10,627	\$3,973	\$14,750,702	
BOND ISSUANCE COSTS													
19	Bond Counsel 1.1%	\$31,515	\$42,460	\$24,475	\$16,225	\$45,650	\$28,050	\$634	\$117	\$117	\$44	\$189,286	
20	Disclosure Counsel .4%	\$11,460	\$15,440	\$8,900	\$5,900	\$16,600	\$10,200	\$231	\$425	\$425	\$159	\$69,740	
21	Bond Printing .2%	\$5,730	\$7,720	\$4,450	\$2,950	\$8,300	\$5,100	\$115	\$21	\$21	\$8	\$34,415	
22	Registrar and Paying Agent .1%	\$2,865	\$3,860	\$2,225	\$1,475	\$4,150	\$2,550	\$58	\$11	\$11	\$4	\$17,209	
23	Appraisals .2%	\$5,730	\$7,720	\$4,450	\$2,950	\$8,300	\$5,100	\$115	\$21	\$21	\$8	\$34,415	
24	Bond Discount 2.0%	\$57,300	\$77,200	\$44,500	\$29,500	\$83,000	\$51,000	\$1,153	\$213	\$213	\$79	\$344,158	
25	Bond Reserve Fund 8.5%	\$243,525	\$328,100	\$189,125	\$125,375	\$352,750	\$216,750	\$4,896	\$903	\$903	\$338	\$1,462,665	
26	City Administration & Assessment Eng. 1.8%	\$51,570	\$69,480	\$40,050	\$26,550	\$74,700	\$45,900	\$1,038	\$191	\$191	\$72	\$309,742	
27	Subtotal Bond Issuance Costs (19 to 26) Assume 14.3%	\$409,695	\$551,980	\$318,175	\$210,925	\$593,450	\$364,650	\$8,240	\$1,902	\$1,902	\$711	\$2,461,630	
28	Total Assessment (17+27)	\$2,865,000	\$3,860,000	\$2,225,000	\$1,475,000	\$4,150,000	\$2,550,000	\$57,590	\$12,529	\$12,529	\$4,684	\$17,212,332	
29	Assessment Per Unit	\$15,000	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000	\$28,795	\$12,529	\$12,529	\$4,684		
		(per unit)	(per unit)	(per unit)	(per unit)	(per unit)	(per unit)	(per unit)	(per unit)	(per unit)	(per unit)		
	TARGET	\$15,000	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000	\$28,795					
	BOND COST CHECK	\$409,695	\$551,980	\$318,175	\$210,925	\$593,450	\$364,650	\$8,240					
	IMPROVEMENTS COST CHECK	\$2,455,305	\$3,308,020	\$1,906,825	\$1,264,075	\$3,556,550	\$2,185,350	\$49,350					
	NUMBER OF UNITS PROPOSED	191	193	89	59	166	102	2	1	1	1		

Construction and Acquisition of the Improvements

Improvements Constructed by Developers. A portion of the proceeds of the Local Obligations will be used to acquire Improvements from the four Developers owning property in the District pursuant to a separate Funding and Acquisition Agreement (the "**Acquisition Agreement**") by and between the City and each Developer. Upon completion of certain of the improvements and subject to the terms and conditions of the Acquisition Agreement, the City will acquire such completed Improvements with the proceeds of the Local Obligations. In the Acquisition Agreement, the Developer agrees to sell to the City the Improvements to be constructed by such Developer when completed to the satisfaction of the City for an amount not to exceed the lesser of (i) the budgeted amount available from Bond proceeds, or (ii) the actual cost of such Improvement. The Developer will only be reimbursed by the City for actual costs not in excess of the amount available from Bond proceeds. The Acquisition Agreement requires the developer to contribute from its own sources any amount of the cost of the improvements to be acquired from such Developer which exceeds the amount available from Bond proceeds. The City has required these improvements to be constructed as a condition of the development of such Developer's project.

Improvements Constructed by the City/Prepayment of Fees. The City maintains and administers a developer fee program wherein various fees are collected as a condition of development in the City. The City finances ongoing construction of capital improvements with these moneys. Development fees on hand and moneys generated from future development fees, together with any other funds which the City determines are available for construction of infrastructure, are anticipated to be used to finance the construction of improvements referenced in the CIPF Report which are not financed with proceeds of the Local Obligations or designated developer contributions.

Method of Assessment

The Act does not define specific formulas for allocation of project costs among the parcels within the District. The Act, however, requires each parcel to be assessed its share of the project costs in accordance with the benefit conferred on each parcel by the Improvements. Assessment spread formulae are typically based on land area, actual or adjusted street frontage, utility service consumption, and traffic generation or a combination thereof. The Engineer of Work has provided the assessment spread for property within the District and the District assessment for each property as shown below.

Assessment Spread

The following table summarizes the assessments set forth in the Engineer's Report.

CITY OF BRENTWOOD Assessment District 2006-1 Summary of Total Assessments for the Improvements

<u>Owner or Developer</u> ⁽¹⁾	<u>Tract/APN</u>	<u>Total Assessment</u>	<u>Estimated Annual Special Assessment Installment</u>
Standard Pacific Homes	SUBD 8548 (small)	\$15,000 per unit	\$990 per unit
	SUBD 8548 (medium)	20,000 per unit	1,320 per unit
	SUBD 8548 (large)	25,000 per unit	1,650 per unit
Passport Homes	SUBD 9050	25,000 per unit	1,650 per unit
West Coast Home	SUBD 8506	25,000 per unit	1,650 per unit
Pulte Homes	SUBD 8311	25,000 per unit	1,650 per unit
Valle	MS 359-03	28,795 per unit	1,900 per unit
Albright	APN 016-100-020	12,529 per unit	825 per unit
Hancock	APN 016-030-004	12,529 per unit	825 per unit
Clenner	APN 019-060-035	4,684 per unit	310 per unit

⁽¹⁾ See owner and developer information under the caption "THE DISTRICT – Property Within the District and Anticipated Development" below.

THE DISTRICT

Location of the District

The properties within the District consist of non-contiguous clusters of parcels within the City, comprising approximately 369.30 gross acres, summarized as follows.

Single Family Residential (Undeveloped)	365.35 acres
Single Family Residential (Developed- 5 homes)	<u>3.95</u>
Total	369.30

The properties have frontage along either interior streets or major thoroughfares, including Sand Creek Road, Garin Parkway, Sunset Road, Lone Tree Way, San Jose Avenue and O'Hara Avenue. Lone Tree Way provides direct access to State Highway 4 both east and west of the District. Additionally, a partially improved State Highway 4 Bypass will include four lanes and begin at the confluence of State Highways 160 and 4, at the city of Oakley, and extend southward through the City and eventually merge with Vasco Road. A portion of the Bypass, a two-lane component, is in place from Lone Tree Way to Balfour Road, with the portion from State Highway 4 to Lone Tree Way currently under construction and projected for opening in 2007. Additionally, Fairview Avenue is a north-south arterial linking Lone Tree Way to the north with Balfour Road. The detached residential to be constructed will be accessible from proposed interior streets of the subdivisions.

The Assessment Diagram of the District is shown in the Engineer's Report contained in Appendix B.

Seismic Zone. According to the Seismic Safety Commission, the property in the District is located within Zone 3, areas of moderate seismic activity. Zone 3 is considered to be the lowest risk zone in California. In addition, the properties are not located within a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 of the California Department of Conservation, Division of Mines and Geology.

Flood Zone. Most of the properties in the District are located outside of the 100-year flood plain, according to the Federal Emergency Management Agency's Flood Insurance Rate Map, Community Panel Numbers 060439-0355 B, dated July 16, 1987, and flood insurance is not required. However, a portion of the Pulte property (Subdivision 8311) is located within Flood Zone A, described as areas of less than 100-year floodplain. The affected portion will remain an open space buffer and will not be developed. Per City conditions of approval, Pulte Homes is required to file an application for a Letter of Map Revision (LOMR) removing the portion out of Flood Zone A prior to issuance of a grading permit, and such application has been submitted to the Federal Emergency Management Agency by Pulte. Issuance of the LOMR is not required for development to proceed.

Property Within the District and Anticipated Development

The various owners and developers have provided the information set forth below regarding undeveloped property. No assurance can be given that all information is complete or that proposed development will occur as described herein. Although the owners and developers currently own or have entered into an agreement to purchase a substantial portion of the assessable property within the District, as land development progresses, any owner may sell portions of its property to others for completion of improvements. If such sales occur, the ownership of the land within the District may become more diversified or could become more concentrated. No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner. Since the ownership of the parcels is subject to change, the development plans outlined herein may not be continued by the subsequent owner if the parcels are sold, however development by any subsequent owner will be subject to the policies and requirements of the City. The assessments are not personal obligations of the owners and developers or of any subsequent landowners; the Local Obligations are secured solely by the assessments. See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR" and "BONDOWNERS' RISKS."

Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the District and the owners have made no legally binding commitment to pay the principal of or interest on the Bonds. There is no assurance that the owners will have the ability to pay the assessment installments or that, even if they have the ability, they will choose to pay such installments. An owner may elect to not pay the assessments when due and cannot be legally compelled to do so, although failure to pay may result in foreclosure of such owner's property. Neither the City nor any Bondholder will have the ability at any time to seek payment from the owners of property within the District of any assessment or any principal or interest due on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

If any developer who holds an interest in a purchase agreement to buy property in the District does not complete the transaction to purchase, the ownership of such property will remain with the non-developer owner of the property. No assurance can be given that such non-developer owner will choose to sell the property to another developer. The non-developer

owner is unlikely to develop the property on its own and significant delays in the plan of development referred to herein could occur in such event.

Unless otherwise indicated, the information included in this section is derived from the Appraisal (described herein), and from the owners and developers of land within the District. The complete Appraisal is on file with the City and is available for public inspection at the office of the Engineering Department, City of Brentwood, 708 Third Street, Brentwood, California 94513.

Land within the District is characterized by three distinct categories: (i) undeveloped land planned for 800 single family residential lots securing the Assessments, for development by four separate homebuilders, with tentative subdivision map approvals received on approximately 365.35 acres, and (ii) four existing single-family properties owned by homeowners. There are also a number of land areas (public/quasi-public) that are within the boundaries of the District but will not be encumbered by the assessments. The assessable land is summarized as follows:

<u>Developer</u>	<u>Tract</u>	<u>APN</u>	<u>Owner</u>	<u>Land Area (Acres)</u>
Standard Pacific Passport Homes*	SUBD 8548	016-190-008	Barrington Estates, LLC	159.72
	SUBD 9050	018-100-029	Dutra, Leroy F.	
		018-100-030	Dutra, Leroy F.	
	018-110-004	Mangini, Engene E.		
West Coast Home Pulte Homes	SUBD 8506	018-110-008	Maffeo Properties	134.00
	SUBD 8311	019-082-005	West Coast Home	
Individual Owners:	MS 359-03** 1701 Lone Oak 1920 Lone Oak 2151 Fairview	017-080-006	Pulte Homes	36.90
		018-060-063	Valle, Eduardo	1.36
		016-100-020	Albright, Madeline	1.01
		016-030-004	Hancock, Leland D. & Leslie J.	0.39
		019-060-035	Clenner, Robert L. & Sally A.	<u>1.19</u>
Total				369.30

* In escrow for purchase; expects to sell lots to merchant builders.

** Contains two units and is to be subdivided into two parcels.

Zoning and Entitlements. All of the undeveloped properties have approved tentative maps. The City General Plan designations encumbering the undeveloped property are consistent with the proposed uses, which are "PD: Planned Development" and "R-1-E: Single Family Residential Estate." The purpose of the PD land use designation is to allow creative designs not associated with straight, or typical, zoning districts. Density variations are also required and/or permissible. The following table details the land use designations for each of these properties.

<u>Tract</u>	<u>Owner/Developer</u>	<u>Zoning</u>
SUBD 8548	Standard Pacific	PD-46
SUBD 9050	Passport Homes	R-1-E
SUBD 8506	West Coast Home	PD-36
SUBD 8311	Pulte Homes	PD-26

There are four separate developer entities for the undeveloped property in the District. The following table summarizes the owner or anticipated developer and the number of proposed residential lots or acreage (for non-residential property) in the District. Passport Homes is in escrow for purchase of the property shown and plans to improve the land and sell lots to merchant builders.

**CITY OF BRENTWOOD
Assessment District 2006-1
Assessments by Owner/Developer and Land Use**

	<u># lots</u>	<u>Acreage</u>	<u>Assessment</u>	<u>% of Assm't</u>
Single Family Res.				
Standard Pacific	473	159.72	\$8,950,000	52.00%
Passport Homes	59	34.73	1,475,000	8.57
West Coast Home	166	134.00	4,150,000	24.11
Pulte Homes	102	36.90	2,550,000	14.81
Individual Owners⁽¹⁾	<u>4</u>	<u>3.95</u>	<u>87,332</u>	<u>0.51</u>
Total	804	369.30	\$17,212,332	100.00%

⁽¹⁾ Includes 5 existing homes.

Standard Pacific; Subdivision 8548 (52.00% of the Assessment). Subdivision 8548 is within Assessor's parcel No. 016-190-008 and tentative map approval for 494 residential lots in five neighborhoods was received on September 13, 2005. 22 floorplans are expected to be available with residences ranging from 1,922 to 4,137 square feet priced from the low \$600,000s to the mid \$800,000s. Of the 494 lots, 21 lots are designated as affordable housing and will not be subject to the assessments.

Final map approval is expected in Fall 2006. Site grading and infrastructure improvements in Subdivision 8548 are underway. Model home construction is projected to begin in December 2006, with 22 model homes projected to open in late May 2007. Initial home production is expected to begin in January 2007 and deliveries to buyers are expected in June 2007.

Ownership and Development Experience. The property in Subdivision 8548 was acquired by Barrington Estates, LLC, a California limited liability company ("**Barrington**") in April 2006. Barrington is wholly owned by Standard Pacific Corporation, a California corporation ("**Standard Pacific**"). Standard Pacific has been building homes in California for over 40 years. In 2005, Standard Pacific had over 2,600 employees and sold more than 11,400 homes in California, Florida, Texas, the Carolinas, Arizona, Nevada and Colorado. Further information about Standard Pacific is available on its internet home page www.standardpacifichomes.com. The website includes a link to an investor relations page. *The website address is given for reference and convenience only, the information on the websites may be incomplete or inaccurate and has not been reviewed by the City or the Underwriter. Nothing on the website is a part of this Official Statement or incorporated into this Official Statement by reference.*

It is anticipated that funding of the cost of construction of the improvements and homes in Subdivision 8548 will be provided by a bank loan from Union Bank of California in the approximate amount of \$50 million. The parcels in Subdivision 8548 are subject to a purchase

money deed of trust lien in the approximate amount of \$50 million. Standard Pacific anticipates that a second deed of trust will be placed on the property in connection with the bank loan.

West Coast Home; Subdivision 8506 (24.11% of the Assessment). Subdivision 8506 is within Assessor's parcel No. 019-082-005 and tentative map approval for 166 residential lots was approved on June 6, 2006. Twelve floorplans are expected to be available with residences ranging from 1,730 to 4,648 square feet. Pricing is yet to be determined. Also proposed is a 34.58 acre commercial site (not subject to an assessment).

Home construction is projected to begin in September 2007, with 6 model homes projected to open in October 2007. Initial home deliveries to buyers are expected approximately 8 months after construction begins.

Ownership and Development Experience. The property was acquired over 15 years ago by West Coast Home Builders, Inc. ("**West Coast Home**"), a California corporation. West Coast Home is a subsidiary of A.D. Seeno Construction Co., Inc. ("**Seeno Homes**"), a California corporation. Seeno Homes has been developing homes in the San Francisco Area for over 60 years and is currently developing 5 residential communities, consisting of 573 homes, in Contra Costa County. Further information about Seeno Homes is available on its internet home page www.seenohomes.com. *The website address is given for reference and convenience only, the information on the websites may be incomplete or inaccurate and has not been reviewed by the City or the Underwriter. Nothing on the websites is a part of this Official Statement or incorporated into this Official Statement by reference.*

Funding of the cost of construction of the improvements in Subdivision 8506, including homes, is expected to come from internally available funds. The property in the District owned by West Coast Home is subject to a deed of trust lien to Wells Fargo Bank, N.A.

Pulte Homes; Subdivision 8311 (14.81% of the Assessment). Subdivision 8311 comprises approximately 38 acres within Assessor's parcel No. 017-080-006. Tentative map approval for 102 residential lots subject to the assessment was received on June 6, 2006. Five floorplans are expected to be available with residences ranging from 2,609 to 3,986 square feet priced from the mid \$700,000s to the high \$800,000s. In addition, 4-1,600 square foot duets will be offered with base pricing starting at \$300,000.

Home construction is expected to begin in January 2007, with 4 model homes projected to open in June 2007. Initial home closings are expected in July 2007.

Ownership and Development Experience. The property in subdivision 8311 was acquired by Pulte Home Corporation ("**Pulte Homes**") in May 2006. Pulte Homes is a Michigan corporation founded in 1956 by William J. Pulte and headquartered in Bloomfield Hills, Michigan. Common stock of Pulte Homes has been listed on the New York Stock Exchange since 1969, under the symbol "PHM." William J. Pulte is currently Chairman of the Board. Richard J. Dugas, Jr. is President and Chief Executive Officer. The company has approximately 13,000 employees worldwide.

Pulte Homes is a FORTUNE 200 company with operations in 54 markets and 28 states. In 2004, the company delivered 38,612 homes in the U.S. and generated consolidated revenues of \$11.7 billion. During its 55-year history, the company has constructed more than 408,000 homes. In 2005, Pulte Homes received the most awards in the J.D. Power and Associates New Home-BUILDER Customer Satisfaction Study (sm), marking the sixth-straight year Pulte Homes

achieved this distinction among America's largest homebuilding companies. Pulte Homes' operations were highest-ranked in 16 markets and were among the top three in 22 of 27 markets in which it qualified. Under its Del Webb brand, Pulte Homes is the nation's largest builder of active adult communities for people age 55 and better. Its DiVosta operation is nationally recognized for a proprietary building system that has delivered more than 25,000 "Built Solid" homes in Florida since 1960. Pulte Mortgage LLC is a nationwide lender and offers Pulte customers a wide variety of loan products and superior customer service.

Pulte Homes currently has homes under construction in various subdivisions in 26 states and in the District of Columbia, including several offerings in the greater San Francisco area. Information on current home offerings of Pulte Homes can be found on the internet at its website location, www.pulte.com. The website includes a link to an investor relations page. *This website address is given for reference and convenience only, the information on the website may be incomplete or inaccurate or out of date and has not been reviewed by the County or the Underwriter. Nothing on the website is a part of this Official Statement or incorporated into this Official Statement by reference.*

Infrastructure improvements required for the development in the District, which include all on-site and off-site subdivision improvements, as well as home construction, are anticipated to be financed through internal sources.

Passport Homes; Subdivision 9050 (8.57% of the Assessment). Subdivision 9050 includes Assessor's parcels No. 018-100-029, 018-100-030, 018-110-004, and 018-110-008, and contains 34.73 gross acres. The parcel is currently improved with a single-family residence which will not be subject to the assessments. Tentative map approval for development of 59 custom homes in Subdivision 9050 was received on June 6, 2006. Once improvements are complete, parcels will be sold to individual builders for construction of single-family custom homes, which are expected to range from 3,492 to 4,541 square feet and have base prices from \$875,000 to \$1,021,725.

Ownership and Development Experience. The property in Subdivision 9050, with the exception of the lot containing the existing single-family residence, is subject to purchase by Passport Homes, Inc. ("**Passport Homes**"), a California corporation, pursuant to a purchase and sale agreement. Substantial non-refundable deposits have been made and the sale is expected to close in March, 2007. Although Passport Homes is a homebuilder and has developed over a dozen residential communities in the San Francisco area, it does not plan to build homes on this property; Passport Homes has undertaken the subdivision processing of the property and intends to sell lots to homebuilders. Further information about Passport Homes is available on its internet home page www.passporthomes.com. *The website address is given for reference and convenience only, the information on the websites may be incomplete or inaccurate and has not been reviewed by the City or the Underwriter. Nothing on the website is a part of this Official Statement or incorporated into this Official Statement by reference.*

Funding of the cost of construction of the improvements in Subdivision 9050 is expected to come from cash on hand and bank financing. Financing for construction of homes will be provided by the home builders who purchase improved lots. All or a portion of the property in Subdivision 9050 may be subject to a deed of trust lien or liens.

Individual Land Owners (0.52% of the Assessment). The District includes four parcels with five existing single-family residences that are subject to the assessments. The parcel containing two residences has tentative approval for subdivision into two parcels.

The County of Contra Costa and City of Brentwood

The following information concerning the City and surrounding areas are included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the City, the State, or any of its political subdivisions and neither said City, said State, nor any of its political subdivisions is liable therefor. See the section herein entitled "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR."

Contra Costa County (the "**County**") was incorporated in 1850 as one of the original 27 counties of the State of California with the City of Martinez as the County Seat. It is one of the nine counties in the San Francisco-Oakland Bay Area. The County covers about 733 square miles and extends from the northeastern shore of the of San Francisco Bay easterly about 20 miles to San Joaquin County. The County is bordered on the south and west by Alameda County and on the north by Suisun and San Pablo Bays. The western and northern shorelines are highly industrialized while the interior sections are suburban/residential, commercial and light industrial. A large part of the interior of the County is served by the Bay Area Rapid Transit District ("**BART**") which has contributed to the expansion of residential and commercial development. In addition, economic development along the Interstate 680 corridor in the County has been substantial in the cities of Concord, Walnut Creek, and San Ramon. The County had a population of approximately 1,029,377 as of January 1, 2006, according to the State Department of Finance.

The City is located adjacent and southeast of the City of Antioch, 25 miles northeast of Walnut Creek, 45 miles northeast of San Francisco, and 65 miles southwest of Sacramento. The City of Tracy is located approximately 12 miles to the southeast and Livermore is located roughly 20 miles to the south. The City is situated in the eastern portion of the County, roughly five miles west of the San Joaquin County line. It is situated between the Mount Diablo foothills to the west, Antioch and Oakley to the north, Discovery Bay to the east and Byron to the south.

The City was incorporated in 1948 and up until the 1980's had retained its agricultural orientation. In recent years, new residential subdivisions have transformed the City into a more suburban environment. Land uses in and around the City are characterized by older farming and retail districts (the older retail districts are primarily located in the downtown area of the City) and rapidly expanding residential neighborhoods in the peripheral areas of the City. The City's population nearly doubled between 1996 and 2001 and in several recent years the City was the fastest growing city in California (excluding Corcoran, where increased population is primarily attributable to an increase in correctional facility inmates) by percentage increase in population.

The rapid expansion of nearby cities and communities including Antioch, Pittsburg, Oakley, Discovery Bay, and Livermore fuels local growth for the area. Highway 4 passes through the City extending easterly through the City of Stockton and intersects with Interstate 5 and State Highway 99. Twenty-five miles to the west, Highway 4 connects to the western portion of the County and connects with Interstate 80, connecting the City to the cities of Berkeley, Richmond, Oakland and San Francisco. Interstate 580 is located within 20 minutes of the City. The newly improved Vasco Road links the City to the Interstate 580 corridor and the cities of Livermore, Tracy, Pleasanton, and Dublin.

The State Route 4 Bypass is a planned nine-mile highway that will run along the eastern boundary of the City of Antioch and the western boundary of the City. It will link the City (and other far east county areas) to the City of Livermore and Interstate 580. Upon completion, it will include four lanes and begin at the confluence of State Highways 160 and 4, at the City of Oakley, and extend southward through the City of Brentwood and eventually intersect with Interstate 580. The first phase of Segment II of State Route 4 Bypass, the stretch from Lone Tree Way to Balfour Road was recently completed. Phase one of Segments I and III of the State Route 4 Bypass are planned for 2006. Once the first phase of each segment is constructed, additional phases (widening) will occur based on traffic demand and funding availability. Ultimately, interchanges are planned for Laurel Road, Lone Tree Way, Sand Creek Road, Balfour Road, Marsh Creek Road, and the recently improved Vasco Road. This route will eventually replace Highway 4 as the main City thoroughfare.

The City is also served by bus lines and railroads. Bay Area Rapid Transit (BART) provides a bus service from nearby Antioch connecting to the existing Bay Point BART Station. Despite measures to alleviate traffic problems, traffic congestion is anticipated to become a major constraint to future growth. For more demographic and economic information regarding the City, See "APPENDIX C - THE CITY OF BRENTWOOD."

VALUE OF PROPERTY WITHIN THE DISTRICT

Appraisal Report and Assessed Valuation

Appraisal Report. The City authorized the preparation of an appraisal report dated June 7, 2006 (the "**Appraisal**") for the undeveloped real property in the District valued as of May 19, 2006 by Seevers Jordan Ziegenmeyer, Rocklin, California (the "**Appraiser**"). In the Appraisal, the Appraiser has determined the hypothetical market values (described as the fee simple estate) by tract/component, of the undeveloped parcels in the District subject to the assessment. The valuation conclusion is as of May 19, 2006 and is based upon an assumption of completion of the infrastructure and facilities to be financed by Bond proceeds.

In considering the estimates of value evidenced by the Appraisal, it should be noted that the Appraiser determined value by reconciling estimates derived via the sales comparison approach and the extraction technique. The sales comparison approach determines the value of the subject properties by comparing sales of comparable property to the subject properties, adjusted for differences between the comparable property and the subject properties. The extraction technique was utilized in the valuation of the subject's detached residential land component. The Appraisal indicates that the sales comparison, income capitalization approach or other appraisal methodologies, was the most appropriate for valuation of the District. In the opinion of the Appraiser, the comparable properties are sufficiently similar to the appraised properties to enable the Appraiser to provide a reasonable opinion of value of the various component properties which comprise appraised properties of the District.

The Appraisal valued the fee simple estate of the property in the District. The valuation assumes completion only of infrastructure (or associated fees) funded by the Bonds and accounts for the impact of the lien of the Assessment and represents the cumulative, or aggregate, hypothetical value of the property in the District, calculated by adding together the determined market value for each component of the subject properties. It should be noted the sum of the market values for the various components represents the cumulative, or aggregate, value of the properties within the District, which is not equivalent to the market value of the

District as a whole. The property appraised excludes property in the District designated for public and quasi public purposes and property which has prepaid the assessment.

The cumulative value estimate for the undeveloped property as of the May 19, 2006 date of value, using the methodologies described in the Appraisal and subject to the limiting conditions and extraordinary assumptions set forth in the Appraisal, and based on the ownership of the property as of that date is \$158,710,000. The Appraiser notes that many of the parcels in the District are non-contiguous. The estimate of value reflects the total value of the individual components and the aggregate value of such components, which is not equivalent to the market value of the District as a whole.

In considering the estimate of value set forth in the Appraisal, it should be noted that the Appraisal is based upon a number of standard and special assumptions which affected the estimate as to value. See "Appendix A – The Appraisal." The Appraisal sets forth the Appraiser's opinion as to value as of May 19, 2006 based upon data available at that time, consequently it does not reflect any changes to value that might have occurred due to occurrences since May 19, 2006 or which may occur in the future. The Appraiser's valuation assumes fee simple ownership of the property, free and clear of any liens or encumbrances and reflects the Appraiser's estimation of value based upon a comparable sales approach method of valuation. Included among the assumptions made in the Appraisal are assumptions that no conditions exist that are not discoverable through normal, diligent investigation which would affect the use and the value of the property and that no hazardous materials which may cause a loss in value of the property exist within the property appraised. The Appraiser did not observe any hazardous material in the District; however, the Appraiser expressly disclaims in the Appraisal any expertise with respect to detection of such substances or responsibility for such substances. The Appraiser assumes no responsibility for building permits, zoning changes, engineering or other services or duties connected with legally utilizing the property.

The complete Appraisal referred to in this "Appraisal Report" section is on file with the City and is available for public inspection at the office of the Engineering Department, City of Brentwood, 120 Oak Street, Brentwood, California 94513. The information contained herein is a summary only of certain information contained in the Appraisal, and such information and the information contained in Appendix A are qualified in their entirety by the complete Appraisal. See "BONDOWNERS' RISKS - Land Values."

Assessed Valuation. In connection with valuing the developed property in the District, the County has obtained the 2005-06 County assessed valuation (the "**Assessed Valuation**") of such property. As provided by Article XIII A of the California Constitution, county assessors' assessed values are to reflect market value as of the date the property was last assessed (or 1975, which ever is more recent), increased by a maximum of 2% per year. Properties may be reassessed by the County only upon a change of at least 51% ownership of existing property or upon new construction. The actual market value of parcels in the District, if sold at foreclosure, may be higher or lower than the Assessor's assessed values, depending upon the date of the Assessor's most recent assessment. The actual fair market value of any parcel can often be more accurately established through an arms-length sale or an appraisal by an independent appraiser. The Assessed Valuation for the four parcels owned by individual homeowners is \$1,229,426.

Value to Lien Ratio

The aggregate property valuation of the appraised real property within the District has been determined to be \$158,710,000 as of May 19, 2006 and the Assessed Valuation of the four homeowner parcels is \$1,229,426. See "Appraisal Report and Assessed Valuation" above. The principal amount of the lien of the assessment with respect to the Local Obligations is \$17,212,332. Consequently, the aggregate value of the real property within the District is approximately 9.29 times the lien of the assessment. See the table below for the value to lien ratios for developed versus undeveloped property.

Generally, the value-to-lien ratio on bonds secured by assessments will vary over the life of such bonds as a result of changes in the value of the property which is security for the assessments and the principal amount of the bonds.

In comparing the aggregate appraised value of the real property within the District and the principal amount of the Bonds, it should be noted that only real property upon which there is a delinquent assessment can be foreclosed, and the real property within the District cannot be foreclosed upon as a whole to pay delinquent assessments of the owners of such parcels unless all of the real property within the District is subject to a delinquent assessment. In any event, individual parcels may be foreclosed upon to pay delinquent installments of the assessments levied against such parcels. The principal amount of the Bonds is not allocated pro-rata among the parcels within the District; rather, the total assessment for the District has been allocated among the parcels within the District according to the benefit spread shown in the Engineer's Report. Most of the parcels within the District are owned by developers who expect that their land will be subdivided and sold to individual users. See "Ownership of Property" above.

The following tables summarize the value to lien ratios for each Assessor's Parcel in the District by developer and land use.

CITY OF BRENTWOOD Assessment District 2006-1 Value to Lien Ratios By Developer

	<u># lots</u>	<u>Acreage</u>	<u>Assessment</u>	<u>Estimated Value</u>	<u>Ratio</u>	<u>Percent of Assm't</u>
Single Family Res.						
Standard Pacific	473	159.72	\$8,950,000	\$87,080,000	9.73	52.00%
Passport Homes	59	34.73	1,475,000	13,290,000	9.01	8.57
West Coast Home	166	134.00	4,150,000	35,680,000	8.59	24.11
Pulte Homes	102	36.90	2,550,000	22,660,000	8.89	14.81
Individual Owners	<u>4*</u>	<u>3.95</u>	<u>87,332</u>	<u>1,229,426</u>	<u>14.08</u>	<u>0.51</u>
Total	804	369.30	\$17,212,332	\$168,689,426	9.29	100.00%

*One lot contains two single-family residences.

**CITY OF BRENTWOOD
Assessment District 2006-1
Value to Lien Ratios By Land Use**

	No. of Lots	Assessment/ Lot	Assessment	Estimated Value*	Ratio
Standard Pacific Homes					
SUBD 8548 (small)	191	\$15,000	\$2,865,000		
SUBD 8548 (medium)	193	20,000	3,860,000		
SUBD 8548 (large)	<u>89</u>	25,000	<u>2,225,000</u>		
Subtotal	473		8,950,000	\$87,080,000	9.73:1
Passport Homes					
SUBD 9050	59	25,000	1,475,000	13,290,000	9.01:1
West Coast Home					
SUBD 8506	166	25,000	4,150,000	35,680,000	8.60:1
Pulte Homes					
SUBD 8311	102	25,000	2,550,000	22,660,000	8.89:1
Individual Owners	<u>4</u>	4,684 - 28,795	<u>87,332</u>	<u>1,229,426</u>	<u>14.08:1</u>
Totals	804		\$17,212,332	\$168,689,426	9.29:1

* Based on appraised value as of May 19, 2006 date of value; except for individual owners' lots which are based on 2005-06 assessed value.

Property Tax Status

The City reports that there are currently no delinquencies on the payment of taxes and assessments billed for the 2005-06 tax year on any property within the District.

BONDOWNERS' RISKS

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

General

Under the provisions of the Local Obligation Statute, assessment installments, from which funds for the payment of annual installments of principal of and interest on the Bonds are derived, will be billed to properties against which there are assessments on the regular property tax bills sent to owners of such properties. Such assessment installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. Assessment installments made will be in aggregate amounts for the Bonds. A property owner cannot pay the county tax collector less than the full amount due on the tax bill,

however it is possible to pay assessment installments directly to the City in satisfaction of the obligation to pay that assessment without paying property taxes also then due. It should also be noted that the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and assessment installment payments in the future.

Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the District. Accordingly, in the event of delinquency, proceedings may be conducted only against the real property securing the delinquent assessment. Thus, the value of the real property within the District is a critical factor in determining the investment quality of the Bonds. A summary of an appraisal of land values within the District is set forth in Appendix A hereto. The unpaid assessments are not required to be paid upon sale of property within the District.

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 from the proceeds of the Bonds to cover delinquencies. No assurance can be given that the owners will be able to pay the assessment installments or that they shall pay such installments even though financially able to do so. The assessments are secured by a lien on the parcels within the District and the City has covenanted to institute foreclosure proceedings to sell parcels with delinquent installments for amounts sufficient to cover such delinquent installments in order to obtain funds to pay debt service on the Local Obligations. See "Owners Not Obligated to Pay Bonds or Assessments" below.

Failure by owners of the parcels to pay installments of assessments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent 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 Local Obligations and Bondowners would therefore be adversely affected.

Owners Not Obligated to Pay Bonds or Assessments

Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the District and the owners have made no commitment to pay the principal of or interest on the Bonds or to support payment of the Bonds in any manner. There is no assurance that the owners have the ability to pay the assessment installments or that, even if they have the ability, they will choose to pay such installments. An owner may elect to not pay the assessments when due and cannot be legally compelled to do so. If an owner decides it is not economically feasible to develop or to continue owning its property encumbered by the lien of the assessment, or decides that for any other reason it does not want to retain title to the property, such owner may choose not to pay assessments and to allow the property to be foreclosed. Such a choice may be made due to a decrease in the market value of the property. A foreclosure of the property may result in such owner's interest in the property being transferred to another party. Neither the City nor any Bondholder will have the ability at any time to seek payment from the owners of property within the District of any assessment or any

principal or interest due on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District. No assurance can be given that any bids will be received at a foreclosure sale. The City is not obligated to submit any bid.

Bankruptcy and Foreclosure

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

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

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

Availability of Funds to Pay Delinquent Assessment Installments

Upon receipt of the proceeds from the sale of the Bonds, the City shall initially establish the Reserve Fund in an amount of the "Reserve Requirement," which is, as of any date of calculation, Maximum Annual Debt Service on all then Outstanding Bonds; provided, that as of the date of issuance of the Bonds, the amount required to be deposited in the Reserve Fund shall not exceed the lesser of (i) Maximum Annual Debt Service on the Bonds, (ii) 125% of average Annual Debt Service on the Bonds, or (iii) 10% of the amount (within the meaning of Section 148 of the Code) of the Bonds. The monies in the Reserve Fund shall constitute a trust fund for the benefit of the Owners of the Bonds, shall be held by the Trustee, and shall be administered by the Trustee in accordance with and pursuant to the provisions of the Trust Agreement. If a deficiency occurs in the Interest Fund or the Principal Fund for payment of interest on or principal of the Bonds, the Trustee will transfer into such funds an amount out of the Reserve Fund needed to pay debt service on the Bonds. There is no assurance that the balance in the Reserve Fund will always be adequate to pay the debt service on the Bonds in the event of delinquent assessment installments.

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

Collection of the Assessment

In order to pay debt service on the Bonds it is necessary that the assessment installments be paid in a timely manner. Should the installments of assessments not be paid on time, funds in the Reserve Fund may be utilized to pay debt service on the Bonds to the extent other funds are not available therefor.

The assessment installments are to be collected in the same manner as ordinary ad valorem real property taxes are collected and, except as provided in the special covenant for foreclosure described herein and in the Local Obligation Statute, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ad valorem real property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property may be deeded to the State and then is subject to sale by the County.

Pursuant to the Local Obligation Statute, in the event any delinquency in the payment of an assessment installment occurs, the City may commence an action in superior court to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. The Local Obligation Statute provides that under certain circumstances property may be sold upon foreclosure at a lesser Minimum Price or without a Minimum Price. "Minimum Price" as used in the Local Obligation Statute is the amount equal to the delinquent installments of principal or interest of the assessment or reassessment, together with all interest penalties, costs, fees, charges and other amounts more fully detailed in the Local Obligation Statute. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than the Minimum Price will not result in an ultimate loss to the Bondowners or, under certain circumstances, if owners of 75% or more of the outstanding Bonds consent to such sale.

There can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid a delay in payments of debt service on the Bonds. The City has covenanted for the benefit of the owners of the Bonds that the City will commence foreclosure upon the occurrence of a delinquency as provided in the Trust Agreement, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of the delinquent installments of the assessment against parcels of land in the District for which such installment has been billed but has not been paid, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale, all as provided in the Trust Agreement. See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR - Covenant to Commence Superior Court Foreclosure" above. In the event that sales or foreclosures of property are necessary, there could be a delay in payments to holders of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the other sources of payment for the Bonds, as set forth in the Trust Agreement, are depleted. See "BONDOWNERS' RISKS - Bankruptcy and Foreclosure" herein.

Limitations on Enforceability of Remedies

The payment of assessment installments and the ability of the City to foreclose the lien of a delinquent unpaid assessment may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure.

Although bankruptcy proceedings would not cause the assessment liens to become extinguished, bankruptcy of a property owner could result in a delay in foreclosure proceedings. Such delay, particularly in the case of a major landowner in the District, would increase the likelihood of a delay and a default in payment of the principal of and interest on the Bonds, and the possibility of delinquent assessment installments not being paid in full.

Land Values

Customarily, the issuers of bonds obtain an appraisal of the market value of the property subject to the assessment in order to have an estimate of the security value of the parcels relative to the amount of the outstanding indebtedness of the Bonds. As set forth in "VALUE OF PROPERTY WITHIN THE DISTRICT - Appraisal Report and Assessed Valuation," an appraisal by the Appraiser indicates a value for the property within the District as of the date indicated in the Appraisal. A value determined by an appraiser is an opinion with respect to the value of the property under the assumptions noted in the appraisal. It is important to consider the assumptions that contribute to the value, which often include assumptions that the property is free and clear of liens and that the improvements financed with the proposed bonds are completed and operational. Prospective purchasers of the Bonds should not assume that the property within the District could be sold for the appraised value or the assessed value at a foreclosure sale for delinquent Assessments.

Reductions in land values due to a downturn in the economy, physical events such as earthquakes or floods, stricter land use regulations or other events will adversely impact the security of the Bonds. According to the Seismic Safety Commission, the subject properties are located within Zone 3, areas of moderate seismic activity. In addition, the District is not located within a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 of the California Department of Conservation, Division of Mines and Geology.

Land Development

Most of the land within the District is currently undeveloped. The completion of development of the land may be adversely affected by changes in general economic conditions, water shortages, increased construction costs, fluctuations in the real estate market, and other similar factors, including development in surrounding areas which may compete with the developments within the District. There can be no assurance that development within the District will not be adversely affected by these or other factors, including future governmental policies or environmental issues.

The assessment installments are to be collected from the owners of property located within the District, and are not dependent on the completion of the development of the properties within the District. Nevertheless, the extent of completion of the development of the property within the District may affect the ability and willingness of landowners to pay the assessment and will affect the market value of any property foreclosed upon for nonpayment of installments of the assessment.

No assurance can be given that any development in progress or contemplated will be partially or fully completed, and in assessing the investment quality of the Bonds prospective purchasers should evaluate the risks of non-completion, especially as related to the concentration of ownership. Undeveloped land is less valuable than such land in a developed condition and provides less valuable security to the Bondowners should it be necessary for the

City to foreclose due to the nonpayment of assessment installments. In addition, if land in the District continues to have no further private improvements, the number of potential purchasers bidding at the foreclosure sale, in the event the City forecloses the lien of a delinquent unpaid assessment, is likely to be reduced. Finally, factors such as a slowdown of the economic development process in the region or an increase in mortgage interest rates could also adversely affect land values and reduce the proceeds received at a foreclosure sale in the event assessment installments are not paid when due.

Concentration of Ownership

Property within the District is currently owned or controlled by a small number of developer/owners. The fact that all of the land within the District to which responsibility for the assessment has been assigned is currently controlled by only a small number of developers or owners causes the responsibility for the payment of the annual assessment to be apportioned only to those owners until homes have been constructed and sold to residents. Because of the existing concentration of ownership of land in the District, the timely payment of the Bonds depends upon the willingness and ability of the owners to pay the assessments when due. The only asset of each owner of property within the District which constitutes security for the Local Obligations is such owner's real property holdings located within the District. See "BONDOWNERS' RISKS - Bankruptcy and Foreclosure" and "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR - Covenant to Commence Superior Court Foreclosure" herein.

Future Land Use Regulations and Growth Control Initiatives

There can be no assurance that land development operations within the District will not be adversely affected by future government policies, including, but not limited to, governmental policies to restrict or control development. Although the developer may have certain rights with respect to development pursuant to the provisions of a tentative or final map, it is unclear under California law whether the right to develop in accordance with such plans can ever be fully vested prior to actual development.

Failure to complete the proposed developments as planned, substantial delays in the completion of the proposed developments due to litigation or other causes may reduce the value of the property within the District, and may affect the willingness and ability of the owners of land within the District to pay the assessment installments when due.

Citizens of a number of other local communities in Northern California have placed measures on the ballot designed to control the rate or manner of future growth in those areas. The City has a growth control ordinance, however residential property in the District has received approval for the planned development. It is possible that future initiatives applicable to the District could be enacted and could negatively impact the ability of the property owners to further develop their land. Bondowners should assume that any event that significantly impacts the ability to develop land in the District could cause the land values within the District to decrease and could affect the willingness and ability of the owners of land to pay the assessment installments when due.

Ballot Initiatives

From time to time constitutional initiatives or other initiative measures may be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations, or on the ability of the landowners to complete their developments.

Hazardous Substances

While governmental taxes, assessments and charges are a common claim against the value of a taxed parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to pay the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel within the District may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act", is the most well known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect therefore, should any of the parcels within the District be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the owner is obligated to remedy the condition. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a property that is realizable upon a delinquency and foreclosure. The statutorily required environmental impact studies prepared for the developments did not identify any hazardous substances.

The appraised value of the real property within the District ascertained in the Appraisal does not, unless expressly noted, take into account the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of any parcel. The City is not aware that the owner (or operator) of any of the land within the District has such a current liability with respect to such land. However, it is possible that such liabilities do currently exist and that the City is not aware of them.

Parity Taxes and Special Assessments

The assessment and each installment thereof and any interest and penalties thereon constitute a lien against the parcels on which they were imposed until the same are paid. Such lien is subordinate to all fixed special assessment liens previously imposed upon the same property, but has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property. Such lien is co-equal to and independent of the lien for general taxes and any lien imposed under the Mello-Roos Community Facilities Act of 1982, as amended.

There is currently no other bonded assessment lien of the City or special tax which is prior to the lien of the District's assessment on any of the property within the District.

Future Overlapping Indebtedness

The ability of an owner of land within the District to pay the assessments could be affected by the existence of other taxes and assessments imposed upon the property subsequent to the date of issuance of the Local Obligations. In addition, other public agencies whose boundaries overlap those of the District could, without the consent of the City, and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the property within the District to finance public improvements to be located inside of or outside of the District.

Future Private Indebtedness

At the present time, most of the property in the District is undeveloped. In order to develop any improvements on that land, the property owners will need to construct private improvements over and above those which will be financed with the proceeds of the Local Obligations. The cost of these additional private improvements may increase the private debt for which the land in the District or other land or collateral owned by the property owners is security over that contemplated by the Local Obligations, and such increased debt could reduce the ability or desire of the property owners to pay the assessments secured by the land in the District. It should be noted however, that the lien of any private financing secured by the land within the District would be subordinate to the lien of the assessments.

No Acceleration Provision

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

CONSTITUTIONAL LIMITATIONS ON TAXATION AND APPROPRIATIONS

Property Tax Rate Limitations - Article XIII A

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

Article XIII A as originally implemented has been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the

event of reconstruction of property damaged or destroyed in a disaster and in various other minor or technical ways.

Legislation Implementing Article XIII A

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

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

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

Appropriation Limitation - Article XIII B

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

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

Proposition 218

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

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

Article XIIC removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Article XIIC does not define the term "assessment", and it is unclear whether this term is intended to include assessments (or reassessments) levied under the Act. Furthermore, this provision of Article XIIC is not, by its terms, restricted in its application to assessments which were established or imposed on or after July 1, 1997. In the case of the unpaid assessments which are pledged as security for payment of the Local Obligations, the laws of the State provide a mandatory, statutory duty of the City and the County Auditor to post installments on account of the unpaid assessments to the property tax roll of the County each year while any of the Local Obligations are outstanding, commencing with property tax year 2005-2006, in amounts equal to the principal of and interest on the Bonds coming due in the succeeding calendar year. The City believes that the initiative power cannot be used to reduce or repeal the unpaid assessments which are pledged as security for payment of the Local Obligations or to otherwise interfere with performance of the mandatory, statutory duty of the City and the County Auditor with respect to the unpaid assessments which are pledged as security for payment of the Local Obligations.

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

Property Tax Collection Procedures

In California, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing state-assessed public utilities' property and property the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

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

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

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

THE ISSUER

The Issuer is a joint exercise of powers authority duly organized and operating pursuant to Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code, and pursuant to a Joint Exercise of Powers Agreement dated March 14, 1995, as amended and restated by an Amended and Restated Joint Exercise of Powers Agreement dated as of December 1, 2001, by and among the City and the Redevelopment Agency of the City of Brentwood, and is qualified to assist in financing projects and certain public improvements and to issue the Bonds under the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of Chapter 5, Division 7, Title 1 of the California Government Code (the "**Marks-Roos Law.**") The Issuer has no taxing power. The Issuer and the City are each separate and distinct legal entities, and the debts and obligations of one such entity are not debts or obligations of the other entity.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the City by not later than eight months after the end of the City's fiscal year (presently June 30) in each year commencing with its report for the 2005-06 fiscal year (the "**Annual Report**") and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the Fiscal Agent on behalf of the City with each Nationally Recognized Municipal Securities Information Repository. The notices of material events will be filed by the Fiscal Agent on behalf of the City with the Municipal Securities Rulemaking Board. These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5). The specific nature of the information to be contained in the Annual Report or the notices of material

events by the City is summarized in "APPENDIX F - FORM OF CONTINUING DISCLOSURE UNDERTAKINGS." Barrington Estates LLC (Standard Pacific Homes) will also covenant in a continuing disclosure certificate, the form of which is also set forth in Appendix F, for the benefit of holders and beneficial owners of the Bonds, to provide certain information relating to the parcels it owns within the District on an annual basis, and to provide notices of the occurrence of certain enumerated events. This obligation will terminate on the earlier of (i) legal defeasance, prior redemption or payment in full of all the Bonds, (ii) the date on which such developer's property in the District is no longer responsible for 20% or more of the Assessments, or (iii) the date on which the Developer prepays in full all of the Assessments attributable to its property in the District. The City has had no instance in the previous five years in which it failed to comply in all material respects with any previous continuing disclosure obligation under the Rule.

LEGAL OPINION

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel for the Issuer. A copy of the form of the legal opinion is reproduced as Appendix E hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Certain legal matters will be passed upon by Jones Hall, A Professional Law Corporation, San Francisco, California, Disclosure Counsel. Certain matters will be passed upon for the Issuer and the City by the City Attorney of the City. The fees of Bond Counsel and Disclosure Counsel are contingent upon the issuance and delivery of the Bonds.

TAX EXEMPTION

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

To the extent the issue price of any maturity of the Bonds is less than and the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds) the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of

such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("**Premium Bonds**") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Issuer has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective holders are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Certain requirements and procedures contained or referred to in the Trust Agreement, the Tax Certificate, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Orrick, Herrington & Sutcliffe LLP.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and

extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislation, if enacted into law, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Code may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation, as to which Bond Counsel expresses no opinion.

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

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

NO LITIGATION

There is no action, suit, or proceeding known by the Issuer or the City to be pending or threatened at the present time restraining or enjoining the delivery of the Local Obligations or the Bonds or the collection of assessments levied by the City in the District or in any way contesting or affecting the validity of the Bonds, the Trust Agreement, the Local Obligations, the Local Obligation Resolution or any proceedings of the Issuer or the City taken with respect to the execution or delivery thereof.

NO RATING

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

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APPENDIX A
THE APPRAISAL
(Copy of Appraisal excluding Addenda thereto)

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**Complete Appraisal
Self-Contained Report**

**Properties within Assessment District
(AD) No. 2006-1 (portion)**
Brentwood, California



Date of Report: June 7, 2006

Prepared For:

Mr. Balwinder Grewal, City Engineer
City of Brentwood
708 Third Street
Brentwood, California 94513

Prepared By:

P. Richard Seevers, MAI
Eric A. Segal, Appraiser



Seevers
Jordan
Ziegenmeyer

Real Estate Appraisal & Consultation

3825 Atherton Road • Suite 500 • Rocklin, CA 95765 • 916.435.3883 • Fax: 916.435.4774



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Jordan
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Real Estate Appraisal & Consultation

June 7, 2006

Mr. Balwinder Grewal, City Engineer
City of Brentwood
708 Third Street
Brentwood, California 94513

RE: Properties within Assessment District (AD) No. 2006-1 (portion)
Brentwood, California

Dear Mr. Grewal:

At your request and authorization, Seevers • Jordan • Ziegenmeyer has analyzed market data for the purpose of estimating the hypothetical market values (*fee simple estate*) of a portion of the properties within Assessment District (AD) No. 2006-1, under the assumptions and conditions contained in this report. The appraised properties consist of all the real property within the City of Brentwood Assessment District No. 2006-1, excluding four assessor's parcels improved with single-family residences with an assessed value for structural improvements (2005/2006 tax roll).

The appraisal report has been conducted in accordance with appraisal standards and guidelines found in the Uniform Standards of Professional Appraisal Practice (USPAP), as well as the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The appraisal is presented in a Self-Contained Appraisal Report format and is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP.

The Assessment District No. 2006-1 bond issuance is scheduled to fund certain portions of public improvements required for the development of 800 single-family residential lots. The financing provided through the bond issuance will be used for improvements to Sand Creek Road, Garin Parkway, Sunset Road, Lone Tree Way, Adams Lane, San Jose Avenue and O'Hara Avenue. These improvements include—but are not limited to—drainage, water, sanitary sewer, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, masonry walls, traffic signals and other miscellaneous improvements. Additionally, the bond issuance will finance the prepayment of a portion of the impact fees, including roadway, major water and wastewater facilities, parks and trails and State Route 4 Bypass.

The subject properties are located in non-contiguous areas throughout the city of Brentwood. Contra Costa County, California. The table on the following page details the various components encompassing Assessment District No. 2006-1. There are also a number of public/quasi-public sites within the boundaries of the District that will not be encumbered by an assessment lien. Thus, these land areas are excluded from our analysis.

Developer	Tract/APN	Owner	APN	Category	Land Area (Acres)	No. of Lots	Average Lot Size (SF)
Standard Pacific Homes	SUBD 8548	Barrington Estates, LLC	016-199-008	Residential Lots	159.72	473	7,200
Passport Homes	SUBD 9050	Dutra, Leroy F.	018-100-029	Residential Lots	34.73	59	18,500
		Dutra, Leroy F.	018-100-030	Residential Lots			
		Mangini, Eugene E.	018-110-004	Residential Lots			
		Maffeo Properties	018-110-008	Residential Lots			
West Coast Home Builders	SUBD 8506	West Coast Home Builders, Inc.	019-082-005	Residential Lots	134.00	166	8,000
Pulte Homes	SUBD 8311	Beidermann, Arthur A.	017-080-006	Residential Lots	36.90	102	10,514
Total					365.35	800	

Subdivision 8548, also identified as the Barrington subdivision, will be developed by Standard Pacific Homes. Upon completion of site development, the project will include 494 single-family residential lots with an average lot size of approximately 7,200 square feet. In order to meet the City's Inclusionary Housing Requirement, 21 lots have been set aside as affordable housing and are not part of the Assessment District; therefore, the subject property will be analyzed as 473 market rate lots. The Barrington subdivision is located north and south of the future extension of Sand Creek Road, east of Brentwood Boulevard (State Highway 4), south of Sunset Road. The Barrington Estates development will be marketed as five separate projects: Penrose, Wynstone, Berkshire, Hawthorne and Marquette. Floor plans will range from 1,922 square feet to 4,137 square feet, with preliminary pricing from \$605,000 to \$845,000.

Passport Homes is developing the Estates at the Preserve subdivision (Subdivision 9050), which is located north of Grant Street, south of Lone Tree Way and east of O'Hara Avenue. The Estates at the Preserve has been approved for the development of 59 single-family residential lots, with a minimum lot size of 15,000 square feet, and an average lot size of 18,500 square feet. According to the developer, The Estates at the Preserve will offer four floor plans ranging from 3,492 to 4,541 square feet, with corresponding base prices ranging from \$875,000 to \$1,021,725.

West Coast Home Builders will develop subdivision 8506, also identified as the Bridle Gate subdivision. Upon completion of site development, the project will consist of 166 single-family residential lots, with lot sizes ranging from 5,306 to 14,147 square feet, with an average lot size of 8,000 square feet. The Bridle Gate subdivision is located west of the State Highway 4 Bypass, south of Sand Creek Road. Proposed product and pricing is not available at this time.

Pulte Homes is developing the Carmel Estates subdivision (Subdivision 8311), which is located along the east line of Minnesota Avenue, south of Sand Creek Road. Carmel Estates has been approved for the development of 102 market rate single-family residential lots and four additional lots set aside, and not part of the Assessment District, to meet the City's inclusionary housing requirement, with a minimum lot size of 7,119 square feet, and an average lot size of 10,514 square feet. According to the developer, Carmel Estates will offer five floor plans ranging from 2,609 to 3,986 square feet, with corresponding base prices ranging from \$755,900 to \$890,000. The project will also offer 1,600 square foot duets with base pricing starting at \$300,000.

We have been requested to provide estimates of hypothetical market value of the subject properties by tract/component. In accordance with the definition of market value, we assume a transfer would

reflect a cash transaction or terms equivalent to cash. The estimates are also premised on an assumed sale after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, for their own self-interest, and assuming neither is under duress.

In light of the fact the improvements to be financed by the district bonds were not in place as of the date of inspection, the value estimates are subject to a hypothetical condition, defined as that which is contrary to what exists but is supposed for the purposes of analysis. Specifically, the hypothetical market value estimates assume the completion of the public facilities to be financed by the Assessment District No. 2006-1 bond issuance. The estimates of hypothetical market value also account for the impact of the assessment lien securing the bonds.

The following estimates represent the hypothetical market values for each tract and/or configuration. The sum of the component values represents the aggregate, or cumulative, value of the properties, which is NOT equivalent to the hypothetical market value of the District as a whole. As a result of our analysis, it is our opinion the hypothetical market values of the subject properties, in accordance with the definitions, certifications, assumptions, and significant factors set forth in the attached document (please refer to pages 8 through 10), as of May 19, 2006, are as presented below.

Component	Tract	Value
Standard Pacific Homes	SUBD 8548	\$87,080,000
Passport Homes	SUBD 9050	\$13,290,000
West Coast Home Builders	SUBD 8506	\$35,680,000
Pulte Homes	SUBD 8311	\$22,660,000
Cumulative Value		\$158,710,000

This letter must remain attached to the report, which contains 79 pages, plus related exhibits and Addenda, in order for the value opinion(s) contained herein to be considered valid.

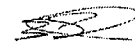
We hereby certify the property has been inspected and we have impartially considered all data collected in the investigation. Further, we have no past, present, or anticipated future interest in the property.

Thank you for the opportunity to work with your office on this assignment.

Sincerely,



P. Richard SeEVERS, MAI
 State Cert. No. AG001723
 Exp. Date: August 12, 2008
 /smh



Eric A. Segal
 State Cert. No. AG026558
 Exp. Date: February 18, 2007

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Transmittal Letter

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Properties:	The appraised properties comprise a portion of the land areas situated within the proposed boundaries of Assessment District No. 2006-1. The appraised properties consist of all the real property within the City of Brentwood Assessment District No. 2006-1, excluding four assessor's parcels improved with single-family residences with an assessed value for structural improvements (2005/2006 tax roll).
Location:	The subject properties are located in non-contiguous areas throughout the city of Brentwood, Contra Costa County, California.
Land Use:	The properties within the District are comprised of 800 single-family residential lots.
Assessor's Parcel Number(s):	A complete list of assessor's parcel numbers comprising the subject properties is presented in the <i>Property Identification and Legal Data</i> section of this report.
Owner(s) of Record:	A complete list of assessor's parcel numbers and corresponding ownership located within Assessment District No. 2006-1 is presented in the <i>Property Identification and Legal Data</i> section of this report.
Gross Land Area:	365.35 acres
Zoning:	The land components representing the subject properties are zoned for single-family residential development.
Earthquake Zone:	Zone 3 – Moderate seismic activity (not located in a Fault-Rupture Hazard Zone)
Flood Zone:	According to the City of Brentwood, most of the subject properties are classified as being in Flood Zone C, described as areas of minimal flooding with no flood insurance required. However, a portion is located within Flood Zone A, described as areas of less than 100-year floodplain. According to the City of Brentwood Engineering Department, a portion of SUBD 8311, identified as those areas positioned adjacent to Marsh Creek, is situated within the flood plain; however, the land areas affected will remain an open space buffer and does not impact the developable land area. Flood zone information is

presented in accordance with the Federal Emergency Management Agency's Flood Insurance Rate Map, Community Panel Numbers 060439-0355 B, dated July 16, 1987.

Highest and Best Use: Development of single-family residential subdivisions

Date of Inspection: May 19, 2006

Effective Date of Value: May 19, 2006

Date of Report: June 7, 2006

Property Rights Appraised: Fee simple estate

Conclusion of Hypothetical Market Value: The hypothetical market value conclusions are subject to the *General and Extraordinary Assumptions, Limiting Conditions and Significant Factors* referenced on pages 8 through 10 of this report.

Component	Tract	Value
Standard Pacific Homes	SUBD 8548	\$87,080,000
Passport Homes	SUBD 9050	\$13,290,000
West Coast Home Builders	SUBD 8506	\$35,680,000
Pulte Homes	SUBD 8311	\$22,660,000
Cumulative Value		\$158,710,000

INTRODUCTION

Property Description

The subject properties comprising a portion of City of Brentwood Assessment District (AD) No. 2006-1 consist of 800 single-family residential lots. There are also a number of land areas (public/quasi-public) that are within the boundaries of the District but will not be encumbered by special assessments. Thus, these sites are excluded from our analysis. Additionally, the appraised properties exclude four assessor's parcels within the boundaries of the District improved with single-family residences with an assessed value for structural improvements (2005/2006 tax roll). The following table details the various components comprising the subject properties.

Developer	Tract/APN	Owner	APN	Category	Land Area (Acres)	No. of Lots	Average Lot Size (SF)
Standard Pacific Homes	SUBD 8548	Barrington Estates, LLC	016-190-008	Residential Lots	159.72	473	7,200
Passport Homes	SUBD 9050	Dutra, Leroy F.	018-100-029	Residential Lots	34.73	59	18,500
		Dutra, Leroy F.	018-100-030	Residential Lots			
		Mangini, Eugene E.	018-110-004	Residential Lots			
		Maffeo Properties	018-110-008	Residential Lots			
West Coast Home Builders	SUBD 8506	West Coast Home Builders, Inc.	019-082-005	Residential Lots	134.00	166	8,000
Pulte Homes	SUBD 8311	Beidermann, Arthur A.	017-080-006	Residential Lots	36.90	102	10,514
Total					365.35	800	

Subdivision 8548, also identified as the Barrington subdivision, will be developed by Standard Pacific Homes. Upon completion of site development, the project will include 494 single-family residential lots with an average lot size of approximately 7,200 square feet. In order to meet the City's Inclusionary Housing Requirement, 21 lots have been set aside as affordable housing and are not part of the Assessment District; therefore, the subject property will be analyzed as 473 market rate lots. The Barrington subdivision is located north and south of the future extension of Sand Creek Road, east of Brentwood Boulevard (State Highway 4), south of Sunset Road. The Barrington Estates development will be marketed as five separate projects: Penrose, Wynstone, Berkshire, Hawthorne and Marquette. Floor plans will range from 1,922 square feet to 4,137 square feet, with preliminary pricing from \$605,000 to \$845,000.

Passport Homes is developing the Estates at the Preserve subdivision (Subdivision 9050), which is located north of Grant Street, south of Lone Tree Way and east of O'Hara Avenue. The Estates at the Preserve has been approved for the development of 59 single-family residential lots, with a minimum lot size of 15,000 square feet, and an average lot size of 18,500 square feet. According to the developer, The Estates at the Preserve will offer four floor plans ranging from 3,492 to 4,541 square feet, with corresponding base prices ranging from \$875,000 to \$1,021,725.

West Coast Home Builders will develop subdivision 8506, also identified as the Bridle Gate subdivision. Upon completion of site development, the project will consist of 166 single-family

residential lots, with lot sizes ranging from 5,306 to 14,147 square feet, with an average lot size of 8,000 square feet. The Bridle Gate subdivision is located west of the State Highway 4 Bypass, south of Sand Creek Road. Proposed product and pricing is not available at this time.

Pulte Homes is developing the Carmel Estates subdivision (Subdivision 8311), which is located along the east line of Minnesota Avenue, south of Sand Creek Road. Carmel Estates has been approved for the development of 102 market rate single-family residential lots and four additional lots set aside, and not part of the Assessment District, to meet the City's inclusionary housing requirement, with a minimum lot size of 7,119 square feet, and an average lot size of 10,514 square feet. According to the developer, Carmel Estates will offer five floor plans ranging from 2,609 to 3,986 square feet, with corresponding base prices ranging from \$755,900 to \$890,000. The project will also offer 1,600 square foot duets with base pricing starting at \$300,000.

Type and Definition of Value

The purpose of this appraisal is to estimate the hypothetical market values of the subject properties by tract/component, assuming the completion of the primary infrastructure and facilities to be financed by the Assessment District No. 2006-1 bond issuance. Market value is defined as follows:

Market Value: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interest;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U. S. Dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

In light of the fact all the improvements to be financed by the District bonds were not in place as of the date of value (date of inspection), the value estimates are subject to a hypothetical condition,

¹ Federal Register, vol. 55, no. 163, August 22, 1990, 34228 and 34229.

defined as that which is contrary to what exists but is supposed for the purposes of analysis. The estimates of hypothetical market value are estimated by ownership. The sum of the values represents the cumulative (aggregate) value, which is NOT equivalent to the hypothetical market value of the District as a whole.

Client, Intended User and Intended Use of the Appraisal

The client and intended user of this appraisal report is the City of Brentwood. The appraisal report is intended for use in bond underwriting.

Property Rights Appraised

The value estimates derived herein are for the fee simple estate, defined as follows:

Fee Simple Estate: absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.²

The rights appraised are subject to the *General and Extraordinary Assumptions, Limiting Conditions and Significant Factors* contained in this report, as well as any exceptions, encroachments, easements and rights-of-way recorded. Primary among the assumptions in this analysis is the premise the value estimates reflect the completion of the public facilities to be financed by the District bonds and account for the impact of the assessment lien securing the bonds.

Type of Appraisal and Report Format

This report documents a Complete Appraisal of the subject properties. It is presented in a Self-Contained Appraisal Report format, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP).

Dates of Inspection, Value and Report

An inspection of the subject properties was completed on May 19, 2006, which represents the effective date of hypothetical market value. This appraisal report was completed and assembled on June 7, 2006.

² The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002), 113.

Scope of the Appraisal

The appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This analysis is intended to be an "appraisal assignment," as defined by USPAP; the intention is the appraisal service be performed in such a manner that the result of the analysis, opinions or conclusions be that of a disinterested third party.

We researched and documented several legal and physical aspects of the subject properties. A physical inspection of the properties was completed and serves as the basis for the site description contained in this report. Interviews were conducted with the various property owners and/or developers regarding the property history and development information. The sales history was verified by consulting public records. Various documents were provided for the appraisal, including a Preliminary Engineer's Report, budgets, tentative maps and preliminary title reports. We contacted the City of Brentwood Planning Department regarding zoning and entitlements. The earthquake zone, flood zone and utilities were verified with applicable public agencies.

We analyzed and documented data relating to the subjects' neighborhood and surrounding market areas. This information was obtained through personal inspections of portions of the neighborhood and market areas, newspaper articles, real estate conferences and interviews with various market participants, including property owners, property managers, brokers, developers and local government agencies.

In this appraisal, we determined the highest and best use of the subject properties as though vacant, based on the four standard tests (legal permissibility, physical possibility, financial feasibility and maximum productivity). In addition, we estimated a reasonable exposure time associated with the hypothetical market value estimates.

We have been requested to provide estimates of hypothetical market value of the subject properties by ownership. The sales comparison approach and extraction technique were employed to estimate value for the typical, or predominate, production residential lot configuration (7,200 square feet) within the subject properties. Then, we utilized the data set and other market indicators to establish the incremental value difference between each of the lot groupings either smaller or larger than the subjects' 7,200 square foot lots.

The individuals involved in the preparation of this appraisal include Mr. P. Richard Seevers, MAI, and Mr. Eric A. Segal, Appraiser. Mr. Segal inspected the subject properties; collected and confirmed data related to the subjects, comparables and the neighborhood/market area; analyzed market data; and prepared a draft report with preliminary estimates of value. Mr. Seevers offered professional guidance and instruction, reviewed the draft report and made necessary revisions.

The appraisal report has been conducted in accordance with appraisal standards and guidelines found in the Uniform Standards of Professional Appraisal Practice (USPAP), as well as the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions

1. *The values derived in this report are directly tied to the subdivision maps prepared by Carlson, Barbee & Gibson, Inc. (Subdivision 8548: dated August 15, 2005; Subdivision 9050: stamped received February 17, 2006; and Subdivision 8311: dated May 2, 2006), and Isakson & Assoc. Inc. (Subdivision 8506, dated April 18, 2006). Any significant change in the number or size of the new parcels could affect value. It is assumed the subject properties will be subdivided as represented by the developers for this analysis. If, at some future date, alternate mapping or phasing of the subject properties is implemented, there will necessarily be a direct impact on value, and the appraisers reserve the right to amend the opinion(s) of value stated herein.*
2. *The value conclusions contained in this report are based, in part, on development cost information provided by the owners/developers. Any significant change in these costs could have a direct impact on the value estimates concluded herein. If, at some future date, the actual improvement costs differ from the projected costs, the hypothetical market value(s) provided in this report could be affected.*
3. *The projects under consideration have land areas proposed for public/quasi-public uses that are within the boundaries of the District but will not be encumbered by assessment liens. As such, these land areas are excluded from our analysis. It is assumed lot line adjustments will be made in order to enable the transfer of the appraised portions as separate, legal parcels.*

Hypothetical Condition

4. *The estimates of hypothetical market value assume the completion of the public infrastructure improvements to be financed by the Assessment District No. 2006-1 bond issuance. The funds will be used for improvements to Sand Creek Road, Garin Parkway, Sunset Road, Lone Tree Way, Adams Lane, San Jose Avenue and O'Hara Avenue. These improvements include—but are not limited to—drainage, water, sanitary sewer, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, traffic signals and other miscellaneous improvements.*

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. *No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.*
2. *No responsibility is assumed for matters of law or legal interpretation.*
3. *The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.*
4. *The information and data furnished by others in preparation of this report is believed to be reliable, but no warranty is given for its accuracy.*
5. *It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.*
6. *It is assumed the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.*
7. *It is assumed the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.*
8. *It is assumed all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.*
9. *It is assumed the use of the land and improvements is confined within the boundaries or property lines of the property described and there is no encroachment or trespass unless noted in the report.*
10. *Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.*
11. *The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the*

subjects' physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.

CERTIFICATION OF VALUE

I certify that, to the best of my knowledge and belief:

12. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.
13. Possession of this report or a copy thereof, does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Seevers • Jordan • Ziegenmeyer.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of Seevers • Jordan • Ziegenmeyer. Seevers • Jordan • Ziegenmeyer authorizes the reproduction of this report in its entirety for bond proposes.
15. The liability of Seevers • Jordan • Ziegenmeyer and its employees/subcontractors for errors/omissions, if any, in this work is limited to the amount of its compensation for the work performed in this assignment.
16. Acceptance and/or use of the appraisal report constitutes acceptance of all assumptions and limiting conditions stated in this report.
17. An inspection of the subject properties revealed no apparent adverse easements, encroachments or other conditions, which currently impact the subject. However, the exact locations of typical roadway and utility easements, or any additional easements, which would be referenced in a preliminary title report, were not provided to the appraiser. The appraiser is not a surveyor nor qualified to determine the exact location of easements. It is assumed typical easements do not have an impact on the opinion (s) of value as provided in this report. If, at some future date, these easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion (s) of value.
18. This appraisal report is prepared for the exclusive use of the appraiser's client. No third parties are authorized to rely upon this report without the express consent of the appraiser.
19. The appraiser is not qualified to determine the existence of mold, the cause of mold, the type of mold or whether mold might pose any risk to the property or its inhabitants. Additional inspection by a qualified professional is recommended.

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the properties that are the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment;
- My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- I have not made an inspection of the properties that are the subject of this report;
- Eric A. Segal, Appraiser, inspected the subject properties and provided significant professional appraisal assistance in the preparation of this report. This assistance included the collection and confirmation of data, and the analysis necessary to prepare a draft report with a preliminary estimate of value;
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- I certify that my State of California general real estate appraiser certificate has never been revoked, suspended, cancelled or restricted;
- I have the knowledge and experience to complete this appraisal assignment and have appraised similar properties in the past. Please see the Qualifications of Appraiser portion of the Addenda to this report for additional information;
- As of the date of this report, I, P. Richard Seevers, MAI, have completed the requirements under the continuing education program of the Appraisal Institute.



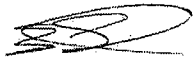
P. RICHARD SEEVERS, MAI

State Certification No.: AG001723 (Expires August 12, 2008)

CERTIFICATION OF VALUE

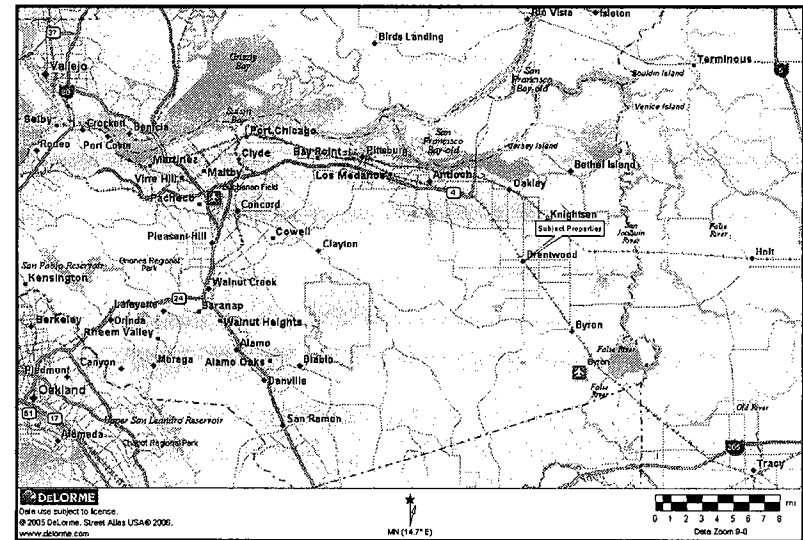
I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions;
- I have no present or prospective interest in the properties that are the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment;
- My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- I have made an inspection of the properties that are the subject of this report;
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute which include the Uniform Standards of Professional Appraisal Practice;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- I certify that my State of California general real estate appraiser certificate has never been revoked, suspended, cancelled or restricted;
- I have the knowledge and experience to complete this appraisal assignment and have appraised similar properties in the past. Please see the Qualifications of Appraiser portion of the Addenda to this report for additional information.



ERIC A. SEGAL, APPRAISER
State Certification No.: AG026558 (Expires: February 18, 2007)

CONTRA COSTA COUNTY REGIONAL OVERVIEW



Introduction

Contra Costa County spans nearly 800 square miles, extending from the eastern shore of the San Francisco Bay approximately 50 miles inland. The county is situated between Suisun and San Pablo Bays to the north, San Joaquin County to the east, Alameda County to the south and the San Francisco Bay to the west. Located in what is referred to as the East Bay region, Contra Costa County is part of one of the nation's largest urban centers, the San Francisco Bay Area. Surrounding counties include Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.

Areas of rapid economic growth and development mark the county, but it still has maintained large portions of land dedicated to rural, recreational and industrial uses. Most development is regionally clustered, with the western and northern shorelines being highly industrialized and the interior sections of the county exhibiting mostly residential and commercial development. Nearly 85% of the county's residents reside within incorporated cities. The largest of those urban areas are Concord, Richmond and Antioch. The city of Martinez, located near the Carquinez Straits to the north of Contra Costa County, houses the county's governmental offices. Growth is particularly strong in the

eastern portion of the county, where the city of Brentwood is seeing the greatest increases in population.

Population

The population of Contra Costa County was approximately 1,020,898 as of January 2005, and has shown steady growth over the past five years, with an average growth rate of 1.4% per year. The most populous cities are Concord, Richmond and Antioch. The city experiencing the highest rate of growth in recent years is Brentwood, with an average annual growth rate of 15.7% since the year 2001. By the year 2020, Contra Costa County is projected to reach 1.1 million in population.

The following table illustrates population trends for areas within Contra Costa County over the past five years.

POPULATION

Area	2001	2002	2003	2004	2005	Avg. Annual
Antioch	93,337	96,878	99,422	101,097	101,049	2.1%
Brentwood	25,152	29,685	33,094	37,246	40,912	15.7%
Clayton	10,960	10,993	10,994	11,045	10,982	0.1%
Concord	123,586	124,963	125,104	125,484	124,798	0.2%
Danville	42,787	43,067	43,269	43,459	43,273	0.3%
El Cerrito	23,462	23,547	23,561	23,517	23,407	-0.1%
Hercules	19,867	20,169	20,515	21,814	23,360	4.4%
Lafayette	24,185	24,447	24,433	24,421	24,317	0.1%
Martinez	36,390	36,769	36,938	36,985	36,818	0.3%
Moraga	16,490	16,529	16,531	16,516	16,435	-0.1%
Oakley	26,064	26,196	27,036	27,670	28,265	2.1%
Orinda	17,811	17,860	17,854	17,849	17,797	0.0%
Pinole	19,366	19,457	19,555	19,638	19,604	0.3%
Pittsburg	58,086	60,000	61,146	61,791	62,605	1.9%
Pleasant Hill	33,256	33,409	33,719	33,786	33,638	0.3%
Richmond	100,561	101,212	101,502	102,162	103,012	0.6%
San Pablo	30,629	30,689	30,842	31,187	31,344	0.6%
San Ramon	45,973	46,887	47,120	48,855	51,027	2.7%
Walnut Creek	65,687	65,980	66,080	66,466	66,501	0.3%
Unincorporated	153,208	154,681	157,496	157,956	161,754	1.4%
Total	966,857	983,418	996,211	1,008,944	1,020,898	1.4%

Source: California Department of Finance

Cities expected to see the most growth over the next several years are Brentwood, San Ramon and Pittsburg. A significant contributing factor to the growth of these cities is their proximate location to the county's existing population hubs. As the population has grown in the eastern portion of the

county, this area has undergone a transformation from rural and agricultural predominance to a suburban residential region.

The technology bubble of the late 1990s has lent considerable help in defining Contra Costa County. With a heavy push from surrounding, higher cost-of-living counties, Contra Costa saw a rapid influx of new single-family homes and residential communities, resulting in more residents and greater home values. While the county's average home price is higher than California as a whole, within the Bay Area, Contra Costa County is still considered a reasonably priced market.

Transportation

The East Bay is an integral part of California's transportation infrastructure. From the region, it is possible to ship freight by highway, air, rail and sea, providing direct access to many of the world's most lucrative markets. The economic developments that occur in Contra Costa County are aided by its highly integrated transportation system, which ranks among the best in the country. Highway transportation is provided by State Highway 4, connecting the cities of Pittsburg, Brentwood, Oakley and Antioch to Interstates 680 and 80 to the west. Interstate 80 connects Richmond with Oakland to the south and Sacramento to the north. It also connects with the Bay Bridge, providing access to San Francisco. Interstate 680 connects with State Highway 4 near Concord, providing access to the cities of Concord, Pleasant Hill and Walnut Creek.

The state freeways and county highways are supplemented by the rapid-transit systems, BART (Bay Area Rapid Transit), and AC (Alameda/Contra Costa) Transit bus service. Amtrak trains provide service to Contra Costa County and run northward to Sacramento and the Pacific Northwest, southward to San Jose/Silicon Valley and Los Angeles, and eastward to the eastern United States. Freight transportation is aided by the Santa Fe and Union Pacific Railroads, whose main lines serve both the industrial coastal areas as well as the inland farm region.

With the congestion that currently exists and the growth that is forecast, governmental entities including the cities of Pittsburg, Antioch, Oakley, Brentwood, Contra Costa County, Tri Delta Transit, Bay Area Rapid Transit District, and the Metropolitan Transportation Commission have formed a partnership to bring public transportation called eBART to East county. eBART is a system that consists of light weight, self propelled rail cars known as Diesel Multiple Units (DMUs) running from the current Pittsburg-Bay Point BART station in the median of SR 4 and then moving onto the Moccoco line of the Union Pacific Railroad. Six stations are currently proposed.

Several ports, including facilities in Richmond, Crockett and Martinez, lie along the county's major adjacent bodies of water: Suisun Bay, San Pablo Bay, and the channel that connects them, the Carquinez Straits. These waterways provide ocean transport service and terminals, which give local

industry access to markets in the Far and Middle East as well as Central and Latin America. The Contra Costa Counties public airport, Buchanan Field, located in Concord, offers cargo service, in addition to limited commuter passenger service. This service is further supplemented by international passenger capabilities of both the Oakland and San Francisco International airports.

Employment & Economy

The California Employment Development Department has reported the following unemployment rates for Contra Costa County over the past several years.

UNEMPLOYMENT RATE						
Area	2000	2001	2002	2003	2004	2005
Contra Costa County	3.6%	4.0%	5.7%	6.1%	5.5%	4.8%

Source: California Employment Development Department

The economic recession affecting most of California and the nation saw rising unemployment rates in 2001 through 2003. After peaking in 2003, Contra Costa County's annual average unemployment rate declined in 2004 and 2005. The unemployment rate in Contra Costa County was 4.5% in January 2006, down from the year-ago estimate of 5.3%. This compares with an unadjusted unemployment rate of 5.4% for California and 5.1% for the nation.

The following table details the labor force in Contra Costa County over the past several years.

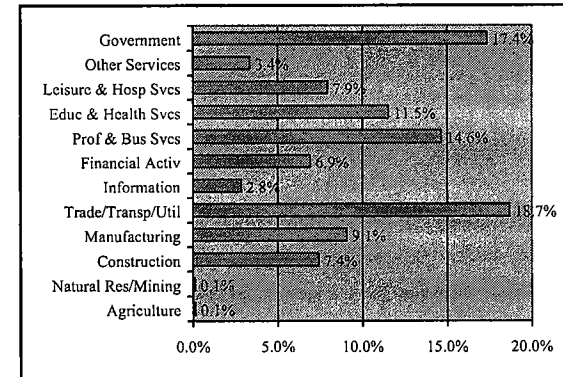
LABOR FORCE						
Area	2000	2001	2002	2003	2004	2005
Contra Costa County	501,600	508,600	513,000	512,300	508,500	512,900

Source: California Employment Development Department

The labor force is the sum of all employed and unemployed persons, excluding those people in the armed forces. The figure includes people working in the private and public sectors, people who are unemployed but are actively seeking work and those people who were laid off and are waiting to get called back to work. The previous table shows Contra Costa County's labor force has been growing steadily over the past several years, which is consistent with the population growth in the region.

Contra Costa County has a diverse economy, with no one sector accounting for a majority of the employment in the region. The following chart indicates the percentage of total employment for each sector within the Oakland MSA (which encompasses Alameda and Contra Costa Counties).

**EMPLOYMENT BY SECTOR – OAKLAND MSA
(ALAMEDA & CONTRA COSTA COUNTIES)**



Source: California Employment Development Department, 2006

As can be seen in the chart above, the area's largest employment sectors are trade/transportation/utilities (which includes retail and wholesale trade), government and professional/business services. The services industry is expected to grow by nearly 27% between 2000 and 2010. Within the services industry, business services are expected to grow even more dramatically, with a projected increase of 39% over the same period. The services industry is expected to drive economic growth for the county, surpassing all other industries in both total jobs provided and percentage increase. The retail trade sector is expected to see moderate growth through 2010, increasing approximately 13% over 2000 figures. Growth in the government sector is expected to be 7% through 2010.

The following table lists the largest employers in the county.

LARGEST EMPLOYERS

Employer	Employees	Industry
County of Contra Costa	9,620	Government
SBC/Cingular Wireless	7,670	Telecommunications
Chevron/Texaco	6,680	Petroleum refining
Bank of America	5,200	Commercial banking
Pupil Services	4,500	Education
Mt. Diablo Unified School District	3,870	Education
John Muir Medical Center	3,540	Healthcare
Safeway Stores Inc.	3,480	Grocery stores
U.S. Post Office	3,080	Postal service
Kaiser Permanente Medical Group	2,740	Healthcare
Diablo Valley College	2,730	Education

Source: Economic Development Alliance for Business, 2004

Other major employers in the region include Longs Drugs, Contra Costa Newspapers, Tosco and Shell Martinez Refining Company.

Per Capita Income

Per capita income represents the single broadest statistical measure of well-being or standard of living in a community. Real per capita income tends to follow the business cycle, rising in the peaks and falling in the troughs. It can also be used to measure the amount of funding a county will be eligible to receive from certain grant making organizations. Simplified, per capita income equates to the total personal income divided by total population. It represents the amount each person would earn if income were distributed evenly among the population.

The following table details the changes in per capita income for Contra Costa County and the state of California from 1997 to 2003, the latest available data as of early 2006.

PER CAPITA INCOME

Year	Contra Costa County	California
1997	\$35,391	\$26,490
1998	\$37,525	\$28,374
1999	\$39,623	\$29,828
2000	\$44,479	\$32,464

Seevers • Jordan • Ziegenmeyer

Year	Contra Costa County	California
2001	\$44,501	\$32,877
2002	\$43,712	\$32,845
2003	\$43,957	\$33,415

Source: U.S. Bureau of Economic Analysis

As the table illustrates, Contra Costa County has outpaced the rest of California for the past several years in terms of per capita income. In fact, the county ranks fifth throughout the state in per capita income (behind Marin, San Francisco, San Mateo and Santa Clara Counties). A number of contributing factors exist, including the predominance of business service sector jobs.

Recreation & Community Facilities

The county is home to several regional parks and three state parks. Franks Tract State Recreation Area is a water-accessible only area located north of the county and utilized by anglers and waterfowl hunters; the John Marsh State Park is located near Brentwood; and a pristine ecological treasure, Mount Diablo State Park is located in central Contra Costa County. Two national historic sites can also be found in the county, the home of Nobel Prize winner Eugene O'Neill in Danville and the former residence of famous naturalist John Muir in Martinez. As with virtually all major metropolitan areas, a multitude of public parks, health clubs and golf courses can be found scattered throughout the county.

Contra Costa County provides higher education to its residents via three junior colleges, Contra Costa College, Diablo Valley College and Los Medanos College. The county is also host to a handful of private, four-year institutions, foremost of which is Saint Marys College in Moraga, enrolling over 4,000 students annually. K-12 education is segmented into eight school districts throughout the county, offering services to nearly 200,000 youth.

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Demographics

The following table illustrates population trends for the city of Brentwood and Contra Costa County over the past five years.

POPULATION

Area	2001	2002	2003	2004	2005	Avg. Annual
City of Brentwood	25,152	29,685	33,094	37,246	40,912	15.7%
Contra Costa County	966,857	983,418	996,211	1,008,944	1,020,898	1.4%

Source: California Department of Finance

While Contra Costa County experienced an average growth rate of 1.4% per year since 2001, the city of Brentwood gained an average of 15.7% per year. Brentwood has been the fastest-growing city in the county in recent years. East Contra Costa County is one of the fastest growing regions in the Bay Area. Approximately 126,000 residents and 32,000 jobs were added between 1980 and 2000, according to the Association of Bay Area Governments (ABAG). Also according to ABAG, the communities of East County will add an additional 130,000 new residents and 56,000 jobs by 2030.

The Brentwood area, along with most of Contra Costa County, is also viewed as one of the last refuges for affordable housing in the Bay Area, drawing many residents from surrounding communities into the city. This has contributed to rising home values in Brentwood. According to DataQuick Information Services, the median resale home price in Brentwood (94513 zip code) as of January 2006 was \$714,500, which marks a 29.9% increase from a year ago. This price level is substantially higher than the median for Contra Costa County, which was \$545,000.

According to the 2000 U.S. Census, the median age in Brentwood was 32.7 years and the average household size was 3.1 persons. The median household income within the neighborhood was \$69,198, which was significantly higher than the state median of \$47,493.

As of January 2006, the unemployment rate in the city of Brentwood was 3.8%. This compares favorably to 4.5% for Contra Costa County and 4.9% for the state of California. The city of Brentwood has maintained low levels of unemployment, and the outlook for the future is positive given projected growth plans.

Transportation

State Highway 4 (Brentwood Boulevard) is the main highway in the area, connecting Brentwood with the cities of Oakley, Antioch and Pittsburg. Highway 4 turns northward from Oakley, becoming

State Highway 160 and providing access to the Delta region and the Sacramento area. As Highway 4 proceeds west, it feeds into Interstate 680 near Concord, and then into Interstate 80 near Pinole and Hercules in western Contra Costa County. From those two Interstates, access is provided to all major business centers in the Bay Area, including San Francisco, Oakland and San Jose.

The area's foremost public project is the development of the State Highway 4 Bypass. The bypass will include four lanes and begin at the confluence of State Highways 160 and 4 in the city of Oakley and extend southward through the city of Brentwood and eventually merge with Vasco Road. Upon completion, the bypass will provide Brentwood with convenient and immediate freeway access to and from the entire East Bay region.

With the congestion that currently exists and the growth that is forecast, governmental entities including the cities of Pittsburg, Antioch, Oakley, Brentwood, Contra Costa County, Tri Delta Transit, Bay Area Rapid Transit District, and the Metropolitan Transportation Commission have formed a partnership to bring public transportation called eBART to East county. eBART is a system that consists of light weight, self propelled rail cars known as Diesel Multiple Units (DMUs) running from the current Pittsburg-Bay Point BART station in the median of SR 4 and then moving onto the Moccoco line of the Union Pacific Railroad. Six stations are currently proposed.

Land Uses

Most of the city of Brentwood is developed with residential uses. Residents have convenient access to employment centers in the East Bay, the Central Valley and the Sacramento region. As of Fourth Quarter 2005, there were 17 projects actively marketing new homes in Brentwood, most of which were located in the master-planned communities of Deer Ridge, Garin Ranch, Rose Garden and Cedarwood. Brentwood is also anticipating the development of a 474-acre master-planned community situated on the Cowell Ranch property. Located in the southern extremity of Brentwood, south and west of Concord Avenue, this tract is identified as the Vineyards at Marsh Creek master planned community and, at completion of development, will consist of 1,100 active adult units (inclusive of 84 duet units), 128 executive units, four single-family winery lots, a village center consisting of 120,000± square feet of commercial/office/retail uses, 200,000 square feet of congregate care residential units, a hotel/lodge, 350 apartment units, winery use parcels, a recreation center parcel, and 38 park, open space and public facility parcels. While the project is proposed for a variety of uses, the appraised land areas within the tract consist of the 128 executive lots, four single-family winery lots, and 1,100 active adult lots.

Along with growth in population and housing, the city is adding retail development to accommodate its residents. Williamson Ranch Plaza is located along Lone Tree Way just west of Hillcrest Road. This is a large-scale commercial center housing major retailers such as Wal-Mart, Staples, Sleep Train, Orchard Supply Hardware, Big 5, Jack-In-The-Box and other stores. Along Lone Tree Way is Deer Valley Plaza, a center anchored by Longs Drugs, Albertsons, Food Mart, Century 16 Theatres, Blockbuster Video, Chevron, Bank of America and Washington Mutual. Adjacent to Deer Valley Plaza is The Crossings, a 136,484 square foot center anchored by Rite Aid and Safeway. At the intersection of Lone Tree Way and Jeffery Way is the newly constructed Slatten Ranch Center, which includes Target Greatland, Mervyn's, Bed Bath & Beyond, Men's Wearhouse, Hollywood Video, WinCo and additional in-line spaces. Just west of the Slatten Ranch Center, at the corner of Lone Tree Way and the Highway 4 Bypass, is the Lone Tree Plaza shopping center, with tenants such as The Home Depot, Kohl's, Michael's, Linens 'n Things, Petco and Sportmart. At the southeast corner, a new commercial development includes California Family Fitness, Wendy's, Shell gas station and other uses. Several medical and professional offices are being constructed near Highway 4 Bypass and Balfour Road.

One of Brentwood's main new industrial developments is the Sunset Industrial Complex, a 32.5-acre industrial business park located north of Sunset Road, a half-mile east of Highway 4. This complex is intended for mostly industrial uses, and a limited amount of supporting retail uses. Some other non-industrial uses in the complex include the Sunset Sports Complex and the City of Brentwood Corporation Yard. The sports complex includes soccer, baseball and softball fields as well as concession areas. The City of Brentwood is attracting businesses to the city and thus creating jobs for residents.

Conclusion

In conclusion, the city of Brentwood is experiencing strong growth in the commercial and residential sectors. The area is well served by transportation routes and remains an affordable alternative to higher-cost locations within the Bay Area. Property values in the Brentwood area are generally expected to remain stable or rise in the foreseeable future.

MARKET ANALYSIS

The purpose of a market analysis is to determine whether there is sufficient demand to support development of the subject properties as proposed. This analysis focuses on determining the physical characteristics and legal restrictions to assist in determining the potential for residential development. The subject properties situated within the city of Brentwood, in eastern Contra Costa County, an area characterized by substantial, newly developed residential projects and supporting commercial (retail) development. Its relative proximity to the employment sectors of the Bay Area bodes well for residential development in the area and corresponding demand for residential product. For the purpose of this analysis, the housing market study will focus on the boundaries of Contra Costa County.

Predominate Homebuyer Profile

A review of consumer profile data available from the U.S. Census Bureau and STDB (Site To Do Business) Online, a commercial data service, details the characteristics of the current residents in the market study area. Overall, the characteristics of the current residents are as follows:

- The estimated 2005 median household income for the area was \$71,481.
- The median age is 37.6 years old.
- There are 2.95 persons per household.

Based on the STDB Online report, it was estimated that 65.50% of the population in Contra Costa County had a household income of at least \$50,000 in 2005. In 2010, it is projected that approximately 69.70% of the population will have a household income in the same range, largely due to households moving from below the range to the middle of the range. The table below summarizes the allocation of total households by income level.

Household Income	2005 (estimate)	2010 (projected)
\$0 to \$15,000	8.10%	7.60%
\$15,000 to \$24,999	6.80%	6.00%
\$25,000 to \$34,999	7.10%	6.50%
\$35,000 to \$49,999	12.40%	10.20%
\$50,000 to \$74,999	18.00%	16.20%
\$75,000 to \$99,999	15.20%	13.60%
\$100,000 to \$149,000	18.00%	20.90%
\$150,000 +	14.30%	19.00%

The following table summarizes the percentage of total population by age.

Age Group	2005 (estimate)	2010 (projected)
0-4 years	6.60%	6.50%
5 - 14 years	14.20%	13.00%
15 - 19 years	7.10%	7.20%
20 - 24 years	6.40%	6.90%
25 - 34 years	12.10%	11.80%
35 - 44 years	15.20%	13.20%
45 - 54 years	15.50%	15.50%
55 - 64 years	11.30%	13.10%
65 - 74 years	6.00%	7.50%
75 - 84 years	3.90%	3.80%
85 years +	1.70%	1.60%

Not including minors, the largest age group is 45 to 54 years, both in 2005 and 2010 (projected). This age group is followed by a fairly large amount in the 35 to 44 age group, and then the 25 to 34 age group. Though it's important to note the 55 to 64 years age group will surpass the younger 25 to 34 years age group by 2010. This information indicates the majority of the population is between 25 and 64 years old, which is the predominant demographic for home purchasers.

Interaction of Demand and Supply

Demand Analysis

A fundamental demand analysis provides information about the number of households with the financial ability to buy housing units in the selected price categories. This analysis segments demand by housing type and ability to pay for the housing product in the price categories selected for the subject property.

Current and Forecast Population

Population forecasts and growth projections are of significant importance in the demand for housing. STDB Online was consulted to analyze present and forecasted population.

STDB ONLINE POPULATION FORECAST

Year	Households	Population	% Change	Population / Household
1990	300,287	803,738	--	2.68
2000	344,129	948,816	18.05%	2.76
2005 (estimated)	350,495	1,032,836	8.86%	2.95
2010 (projected)	355,612	1,112,009	7.67%	3.13

Estimated Households & Housing Unit Demand

In order to estimate demand for housing units over the next five years, we divide the projected population by the estimated household size for each year of the forecast, exhibited as follows.

Estimate of New Housing Demand in the Market Study Area			
Year	Estimated Population	Estimated Units	Estimated New Units
2005	1,032,836	373,356	---
2010	1,112,009	378,807	5,451

The estimated number of new housing units is expected to increase by 5,451 units over the next five years. It is noted the difference between the number of households and number of household units relates to the units that are unoccupied (i.e., vacant).

Total New Demand by Housing Type

The forecast demand for new single-family and multifamily housing units is based on the mix of the current housing stock in the market study area. Based on the STDB Online data service, the current housing mix is estimated at 66.2% owner occupied and 27.7% renter occupied (6.1 % of the housing stock is estimated as vacant). The forecasted demand for each unit type is calculated as a percentage of 5,451, which is the total estimated new housing unit demand for the next five years.

66.2% Single-Family	3,609 units
27.7% Multifamily	1,510 units

In conclusion, the estimated new single-family demand in the study market area is approximately 3,609 units, or approximately 722 units per year, for the projected population growth from 2005 to 2010. The estimated new multifamily demand for the same population growth is approximately 1,510 units, or approximately 302 units per year.

Total New Single-Family Residential Demand by Ability to Pay

Based on the results of our research, and considering the predominate homebuyer profile in the subject's market area, the total new demand will be further defined by the ability to pay for a home in the \$415,000 to \$875,000 price range. In order to estimate the demand for this type of housing product, based on the ability to pay, the required monthly mortgage payment must first be estimated.

Current lending practices restrict house payments to approximately 30% of the household income, excluding taxes and insurance. Current, typical home mortgage terms are approximately 6.75% fixed rate, 30-year amortization, and an 80% loan to value ratio.

For the estimated value range for houses in greatest demand, the monthly payments, excluding taxes and insurance, are presented below.

Home Price	\$415,000	\$875,000
Less 20% down payment	\$83,000	\$175,000
Mortgage Amount	\$332,000	\$700,000
Monthly Payment	\$2,153	\$4,540
Required Annual Income	\$86,134	\$181,607

Ability to Pay Calculation

The ability to pay is calculated by multiplying the required monthly payment by 12 months and dividing by the 30% of household income that can be spent on housing, after payment of taxes and insurance. The resulting annual income range for a buyer that can afford the housing product described above is approximately \$86,000 to \$182,000. It is noted, however, that with financing options currently available and common in the market, such as interest-only loans, first deeds of trust combined with equity lines of credit, adjustable rate mortgages, etc., the required annual incomes are typically lower than the estimates detailed above.

Income data from STDB Online was used to compile an estimate of the percentage of anticipated households in designated earning ranges. The table that follows shows these percentages along with an estimate of residences needed to accommodate households in each group based on the total anticipated new demand for housing units over the five-year projection period (2005 to 2010). The last column in the table shows the monthly house payment potential for each earning category. This analysis assumes new household income will approximate current household income. This is considered a reasonable assumption, given the growth pattern of the area and the continued influx of residents from neighboring areas.

In addition, the following procedure assumes single-family demand is uniform across the income ranges, whether or not single-family construction is feasible at the lower income range. This procedure assumes the single-family demand at lower income levels is met by existing housing, doubling up, or that this demand is not met.

Ability to Pay Analysis for Potential New Buyers			
Income	% Household	New SFR Demand by 2010	Monthly Payment @ 30% of income
Under \$15,000	8.10%	292	Under \$375
\$15,000 - \$24,999	6.80%	245	\$375 - \$625
\$25,000 - \$34,999	7.10%	256	\$625 - \$875
\$35,000 - \$49,999	12.40%	447	\$875 - \$1,250
\$50,000 - \$74,999	18.00%	650	\$1,250 - \$1,875
\$75,000 - \$99,999	15.20%	549	\$1,875 - \$2,500
\$100,000 - \$149,999	18.00%	650	\$2,500 - \$3,750
\$150,000 +	14.30%	516	\$3,750 +
Total	100%	3,609	

The monthly payment range required for purchasing homes in the \$415,000 to \$875,000 range was established as \$2,153 to \$4,540, which would indicate that those earning over \$86,000 per year could be expected to purchase such homes. An estimate of total demand for this housing product is approximately 1,440 units, or 39.9%³ of the total new single-family housing units demanded in the market study area.

The table that follows is a restatement and review of the calculations leading to the estimate of new demand for single-family housing in the market study area between 2005 and 2010.

Total New Single-Family Residential Housing Demand

Year 2005 Total Households	350,495
Year 2010 Total Households Forecast	355,612
New Household Units	5,451
Number of Single-Family Units	3,609
Estimated New Households Able to Afford Subject-Type Housing (likely buyer)	39.9%
Total 2005 - 2010 New Demand for Housing in the \$415,000 to \$875,000 range	1,440

³ Calculated as half of the \$75,000-\$99,999 income group and all of the \$100,000+ income group.

Supply Analysis

The current competitive supply includes existing, under construction and probable future developments. East Contra Costa County has grown significantly over the past 10 years and, when compared to the county as a whole, both Antioch and Brentwood have grown much faster, with Pittsburg trailing the county average only slightly. The east Contra Costa County area has been one of the top selling sub-markets throughout the Bay Area for the past several years. This is mainly due to the more reasonable cost of housing and the proximate location to the major East Bay commercial centers. With the level of development continuing to rise in Antioch, Brentwood and Oakley, the region should continue to exhibit an above-average housing stock.

The subject properties are located within the city of Brentwood. As reported by The Gregory Group, an enterprise that tracks the trends of the local and regional housing market, there were 18 subdivisions actively marketing new, detached homes in Brentwood during the First Quarter of 2006. New home prices in this market generally range from roughly \$401,900 to \$971,950, net of incentives. According to The Gregory Group Report, as of the First Quarter 2006, the average base price for the active subdivisions marketing homes in the city of Brentwood was \$712,067, net of an average \$11,065 incentive. The following table summarizes the First Quarter 2006 sales statistics within the area.

Base Price Range	\$401,900 - \$971,950
Average Base Price	\$712,067
Size Range (SF)	1,354 - 4,639 SF
Average Size (SF)	2,953
Price/SF Range	\$172.19 - \$348.60
Average Price/SF	\$241.13

The cities of Antioch and Oakley, immediately contiguous to the city of Brentwood, directly compete with Brentwood for homebuyers in the area. As of the First Quarter 2006, there were a total of 36 active single-family residential projects marketing homes for sale in the area, including the aforementioned 18 projects in Brentwood. Among the three cities (Antioch, Oakley and Brentwood) comprising the residential communities of eastern Contra Costa County, the following table summarizes the First Quarter 2006 sales statistics within the area.

Base Price Range	\$280,000 - \$971,950
Average Base Price	\$674,531
Size Range (SF)	795 - 4,639 SF
Average Size (SF)	2,833
Price/SF Range	\$171.81 - \$371.62
Average Price/SF	\$238.10

Based on the statistics above, the average pricing for single-family residential projects in the city of Brentwood is slightly above (approximately 5.0%) the average for all of eastern Contra Costa County.

Housing Permits

According to The Gregory Group First Quarter 2006 report, total building permits for the East Bay Region, which includes Alameda and Contra Costa Counties, are down 4.4% from a year earlier. The following table summarizes new permit activity for the East Bay Region:

Year	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Total
2000	2,336	2,445	1,904	2,216	9,533
2001	2,449	2,016	1,648	1,286	8,169
2002	2,486	2,184	2,157	2,324	9,319
2003	2,335	2,807	3,373	2,709	11,352
2004	2,234	3,016	3,167	2,545	10,962
2005	2,474	2,523	3,470	2,385	10,852
2006	2,366				

The east Contra Costa County market retains its identity as one of the Bay Area's more affordable markets. The average sales price, inclusive of incentives, during the First Quarter 2006 for new homes in Brentwood was \$713,160, up 10.1% from \$647,919 in the First Quarter 2005. The average sales price in the city of Antioch during the First Quarter 2006 was \$668,538, up 18.0% from \$566,820 in the First Quarter 2005. The city of Oakley experienced an increase from \$522,375 in the First Quarter 2005 to \$613,768 in the First Quarter 2006, an increase of 17.5%. Many neighboring communities significantly overshadow these figures, including Pleasanton (\$1,630,813), San Ramon (\$1,087,417) and Livermore (\$962,064). The entire East Bay region, which includes both Alameda and Contra Costa Counties, with 127 active subdivisions, averaged \$854,451 during the First Quarter 2006, a 6.1% increase when compared to First Quarter 2005 (\$805,251). Building permits decreased slightly (4.4%) in the First Quarter 2006 with 2,366 permits issued versus 2,474 permits a year earlier; however, multifamily permits issued increased 45.4% from 779 to 1,133 permits.

Supply and Demand

Demand for new housing in the east Contra Costa County region remains very strong, as is indicated by the volume of new building permits and developments currently online in the area. According to The Gregory Group, the large master-planned communities have been selling homes at a consistent rate, averaging 4.6 sales per month. However, during the First Quarter 2006, sales moderated to an average of 2.4 sales per month; whereas, in the city of Brentwood, sales averaged 4.69 sales per month.

The table below summarizes several active subdivisions within the city of Brentwood. The data is taken from The Gregory Group housing report for the First Quarter 2006.

Project	Builder	Open Date	Planned Units	No. of Units Sold	Final Weekly Sales Rate	Total Monthly Sales Rate	Lot Size (SF)	Average Floor Plan (SF)	Average Base Price
Sterling Preserve II - The Enclave	Meritage Homes	Nov-02	226	162	0.91	3.91	13,000	4,092	\$837,500
Ponderosa Crossroads	Ponderosa Homes	Feb-03	120	99	0.61	2.61	9,000	3,128	\$757,290
Scrata	Lafferty Homes	Aug-03	84	72	0.53	2.26	6,000	3,050	\$723,995
Montelena	Centex Homes	Jan-04	196	184	1.30	5.61	10,000	3,600	\$861,114
Starling Pinnacle	Meritage Homes	Jul-03	124	111	1.17	5.02	8,500	3,625	\$752,774
Gario Landing	Signature Properties	Jul-04	96	93	1.03	4.44	3,080	2,036	\$525,650
Bridgeview at Deer Ridge	KR Homes	Aug-04	140	113	1.35	5.78	7,500	3,310	\$715,600
Visions @ Brentwood	Warrington Homes	Aug-04	133	83	0.99	4.25	8,000	3,674	\$787,571
Dream Catcher Ridge	D.R. Horton	Nov-04	169	90	1.27	5.45	7,500	2,891	\$833,746
Classics at Rose Garden	Pulte Homes	Jan-05	121	94	1.52	6.52	8,500	3,293	\$827,300
Copper Gate	D.R. Horton	Feb-05	120	118	2.00	8.60	1,840	1,476	\$417,567
Gallery @ Rose Garden	Pulte Homes	Jan-05	151	92	1.48	6.38	4,200	2,503	\$663,100
The Parc at Cedarwood	Signature Properties	Jan-05	75	38	0.62	2.68	7,095	2,273	\$655,150
Estates at Rose Garden	Pulte Homes	Jan-05	98	76	1.23	5.27	6,000	2,537	\$667,233
Arbors at Rose Garden	Pulte Homes	Jan-05	111	111	1.79	7.70	3,825	2,168	\$654,900
Brighton Station	Discovery Builders	Jul-05	199	20	0.57	2.46	4,000	2,457	\$566,133
Gario Corners	Signature Properties	Oct-05	64	9	0.38	1.61	6,000	1,972	\$535,200
Mariposa	Lennar Communities	Aug-05	154	29	0.91	3.90	8,000	3,043	\$734,867
Granville Estates	D.R. Horton	Nov-05	84	33	1.57	6.76	10,800	3,635	\$799,990
Sage Glen Estates	D.R. Horton	Jan-06	109	16	1.60	6.88	6,300	2,760	\$718,900
Average					1.14	4.90	6,982	2,866	\$701,788

Capture Estimation

Based on the market analysis and overview sections contained herein, it is our opinion the proposed master planned community, indicative of good-quality residential development, can achieve a sales rate comparable to that achieved in the market, assuming appropriate marketing. The active projects surveyed have an average reported weekly sales rate of 1.14 units/week, or approximately five sales per month. These projects are considered good indicators of achievable absorption. Based on the specifics of the subject properties, a projected absorption rate of four sales per month for each individual project is considered reasonable and sustainable during the build out of the projects.

The absorption statistics reported reflect the cumulative data observed at the respective projects since opening for sale. According to The Gregory Group, the most recent absorption statistics generally reveal stable, and in some cases decreasing, absorption rates in comparison to those reported for earlier quarters. In fact, in all of Contra Costa County, there were 648 new home sales reported for the First Quarter 2006, an increase of 108% when compared with the Fourth Quarter 2005 (311 new home sales), but 49.9% less than the First Quarter 2005 (1,293 new home sales); though, the city of Brentwood ranked second in the number of new home sales reported for the First Quarter 2006 with 176 sales. The moderation in the housing market is occurring throughout California, not to mention those market areas catering to commuter homebuyers. It appears the impact of perhaps an unsustainable, and to some degree aggressive, increase in home prices, coupled with the recent rise in mortgage rates during 2005 and 2006, has been felt in the reported absorption statistics for the second half of 2005. However, with positive employment rates, the slow down in the housing market may only be temporary.

Overall, the trends and statistics indicate a strong, stable residential market for Contra Costa County. The subjects' submarket (east Contra Costa County) has captured a significant portion of the area's new home sales. With an increase in sales over the past several years, most projects have benefited, experiencing strong increases in prices and absorption rates. Although a number of large-scale projects are planned for development over the next several years, the supply of new product remains well below demand. The San Francisco Bay area remains a prominent employment region in which a lack of developable land and affordable housing exists. For these reasons, the market trends relating to price increases and absorption rates are expected to remain steady.

PROPERTY IDENTIFICATION AND LEGAL DATA

Location

The subject properties, which comprise certain land areas situated within the boundaries of Assessment District No. 2006-1, are located in non-contiguous projects throughout the city of Brentwood, Contra Costa County, California.

Assessor's Parcel Numbers (APNs)

A complete list of the assessor's parcel numbers encompassing the subject properties is presented below.

Developer	Tract/APN	Owner	APN
Standard Pacific Homes	SUBD 8548	Barrington Estates, LLC	016-190-008
Passport Homes	SUBD 9050	Dutra, Leroy F.	018-100-029
		Dutra, Leroy F.	018-100-030
		Mangini, Engene E.	018-110-004
		Maffeo Properties	018-110-008
West Coast Home Builders	SUBD 8506	West Coast Home Builders, Inc.	019-082-005
Pulte Homes	SUBD 8311	Beidermann, Arthur A.	017-080-006

Owner(s) of Record

Title to the subject properties is vested with multiple ownership entities, as detailed in the table above.

Legal Description

Complete legal descriptions of the subject properties are contained within the preliminary title reports provided for use in our analysis. Copies of these documents have been included in the Addenda to this report.

Property Taxes

The property tax system in California was amended in 1978 by Article XIII to the State Constitution, commonly referred to as Proposition 13. It provides for a limitation on property taxes and for a procedure to establish the current taxable value of real property by reference to a base year value, which is then modified annually to reflect inflation (if any). Annual increases cannot exceed 2% per year.

The base year was set at 1975-76, or any year thereafter in which the property is substantially improved or changes ownership. When either of these two conditions occur, the property is to be re-appraised at market value, which becomes the new base year assessed value. Proposition 13 also limits the maximum tax rate to 1% of the value of the property, exclusive of bonds and supplemental assessments. Bonded indebtedness approved prior to 1978, and any bonds subsequently approved by a two-thirds vote of the district in which the property is located, can be added to the 1% tax rate.

The existing ad valorem taxes are of nominal consequence in this appraisal, primarily due to the fact these taxes will be adjusted substantially as the infrastructure and property improvements are completed. Additionally, the definition of market value employed in this appraisal assumes a sale of the appraised properties.

With respect to special assessments, we have relied upon the Engineer's Report, prepared by Harris & Associates, for the total assessment lien proposed for the subject properties under Assessment District No. 2006-1. The financing provided through the bond issuance will be used for improvements to Sand Creek Road, Garin Parkway, Sunset Road, Lone Tree Way, Adams Lane, San Jose Avenue and O'Hara Avenue. These improvements include—but are not limited to—drainage, water, sanitary sewer, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, traffic signals and other miscellaneous improvements.

Conditions of Title

Preliminary title reports were provided for use in this appraisal and are included in the Addenda to this report. While the appraiser has reviewed the conditions of title and has determined no adverse impact on value, the appraiser assumes no negative title restrictions have been recorded since the date of the preliminary title reports. The appraiser accepts no responsibility for matters pertaining to title.

Zoning and Entitlements

Assessment District No. 2006-1 relates to developable properties designated for single-family residential and commercial land uses. According to the City of Brentwood Planning Department, the General Plan designations for the subject properties are consistent with the proposed and existing uses. The properties have the following zoning classifications:

Subdivision	Project	Zoning	General Plan
8548	Barrington	PD-46	Single-Family
9050	Estates at the Preserve	R-1-E	Single-Family
8506	Bridle Gate	PD-36	Single-Family
8311	Carmel Estates	PD-26	Single-Family

Each of the subdivisions has an approved tentative map. The developable residential land areas situated within the boundaries of Assessment District No. 2006-1 and subject to the Assessment Lien securing the bonds are consistent with the General Plan designations.

Flood Zone

According to the City of Brentwood, most of the subject properties are classified as being in Flood Zone C, described as areas of minimal flooding with no flood insurance required. However, a portion of the subject properties is located within Flood Zone A, described as areas of less than 100-year floodplain. According to the City of Brentwood Engineering Department, a portion of SUBD 8311, identified as those areas positioned adjacent to Marsh Creek, is situated within the flood plain; however, the land areas affected will remain an open space buffer and does not impact the developable land area. Flood zone information is presented in accordance with the Federal Emergency Management Agency's Flood Insurance Rate Map, Community Panel Numbers 060439-0355 B, dated July 16, 1987.

Earthquake Zone

According to the Seismic Safety Commission, the subject properties are located within Zone 3, areas of moderate seismic activity. Zone 3 is considered to be the lowest risk zone in California. In addition, the subject is not located within a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 of the California Department of Conservation, Division of Mines and Geology.

Easements

An inspection of the subject properties revealed no apparent adverse easements, encroachments or other conditions that currently impact the subjects. According to the preliminary title reports provided for this appraisal (see Addenda), the subject properties contain easements for roadways and public utilities. However, these easements are typical for the area and are not considered to adversely affect the value or marketability of the subject properties. The appraiser is not a surveyor nor qualified to determine the exact location of any easements. It is assumed any easements do not have an impact on the opinion(s) of value contained in this report. If, at some future date, any easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion(s) of value contained herein,

SITE DESCRIPTION

The subject properties within Assessment District (AD) No. 2006-1 consist of 800 single-family residential lots. There are also a number of public/quasi-public land areas within the boundaries of the District that will not be encumbered by special assessments. Thus, these sites are excluded from our analysis. Additionally, the appraised properties exclude four assessor's parcels within the boundaries of the District improved with single-family residences with an assessed value for structural improvements (2005/2006 tax roll). The following table details the various land use components comprising the subject properties.

Developer	Tract/APN	Owner	APN	Category	Land Area (Acres)	No. of Lots	Average Lot Size (SF)
Standard Pacific Homes	SUBD 8548	Darrington Estates, LLC	016-190-008	Residential Lots	159.72	473	7,209
Passport Homes	SUBD 9050	Dutra, Leroy F.	018-100-029	Residential Lots	34.73	59	18,500
		Dutra, Leroy F.	018-100-030	Residential Lots			
		Mengini, Eugene E.	018-110-004	Residential Lots			
		Maffeo Properties	018-110-008	Residential Lots			
West Coast Home Builders	SUBD 8506	West Coast Home Builders, Inc.	019-082-005	Residential Lots	134.00	166	8,000
Pulte Homes	SUBD 8111	Baidermann, Arthur A.	017-080-006	Residential Lots	36.90	102	10,514
Total					365.35	800	

The appraised properties are located in non-contiguous areas throughout the city of Brentwood, Contra Costa County, California.

Size and Shape:

The subject properties within Assessment District No. 2006-1 represent non-contiguous clusters of parcels that are, for the most part, irregular in shape. In total, the properties contain 365.35 gross acres of land area.

Topography:

The topography of the subject properties is generally level.

Soils:

The appraiser has not been provided a soils report made to determine the load bearing capacity of the subject properties. Based on the surrounding improvements, no adverse subsoil conditions are apparent. The soils appear to be similar to other local parcels that, to the best of our knowledge, have been improved with no adverse effects.

Drainage:

Based on the development plans, our physical inspection of the subject properties, and assuming typical grading and paving work will be completed, it is expected the subject properties will provide adequate drainage.

Frontage/Access:

The subject properties offer adequate frontage along either interior streets or major thoroughfares, including Sand Creek Road, Garin Parkway, Sunset

Road, Lone Tree Way, Adams Lane, San Jose Avenue, O'Hara Avenue and Minnesota Avenue.

Utilities:

Public utilities, including electricity, natural gas, water and telephone service, are available to the properties and will be served by the following providers:

Water: City of Brentwood
Sewer: City of Brentwood
Drainage: City of Brentwood
Natural Gas: Pacific Gas and Electric
Electricity: Pacific Gas and Electric
Telephone: AT&T

Environmental Issues:

At the time of inspection, the existence of hazardous material, which may or may not be present on the properties, was not observed. The appraiser has no knowledge of the existence of such materials on the properties. However, the appraiser is not qualified to detect such substances. The presence of potentially hazardous materials could affect the value of the properties. The value estimates are predicated on the assumption that there is no such material on or in the properties that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Functional Adequacy:

Development of the single-family residential subdivisions will require interior street systems to serve all of the various lots of the subject properties. Based upon the development plans, overall functional utility is considered good.

Offsite Improvements:

As of the date of value, the subject required additional offsite improvement work. The financing provided through the bond issuance will be used for improvements to Sand Creek Road, Garin Parkway, Sunset Road, Lone Tree Way, Adams Lane, San Jose Avenue and O'Hara Avenue. These improvements include—but are not limited to—drainage, water, sanitary sewer, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, traffic signals and other miscellaneous improvements.

The hypothetical market value estimates contained herein assume the completion of the public facilities

Conclusion:

to be financed by the Assessment District No. 2006-1-bond issuance.

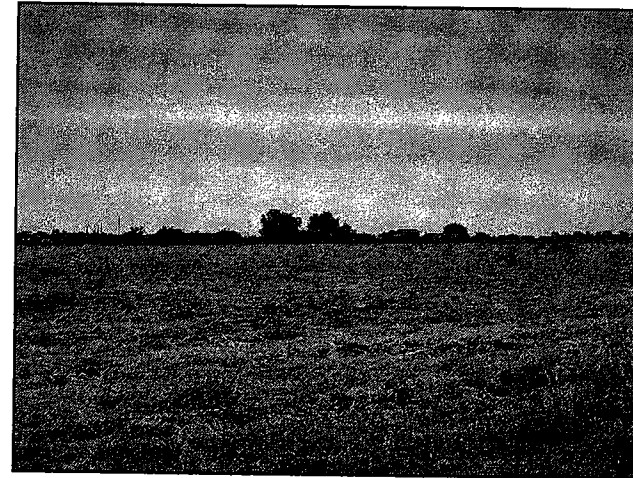
The configuration and size of the subject properties are considered adequate for development. The demand for single-family product bodes well for the projects and should increase the demand for complementary land uses within the city of Brentwood. We expect the land components represented by the subject properties will be competitive with other Brentwood developments, as well as similar developments located elsewhere in the east Contra Costa County area, including Antioch and Oakley.

FACILITIES TO BE FINANCED BY THE DISTRICT

This report will address the hypothetical market values of the subject properties, assuming the completion of the improvements authorized to be financed by the Assessment District No. 2006-1 bond issuance. The proposed improvements are detailed in the Engineer's Report prepared by Harris & Associates, a copy of which is included in the Addenda to this report. The primary facilities authorized to be constructed with the bond proceeds will be used for improvements to Sand Creek Road, Garin Parkway, Sunset Road, Lone Tree Way, Adams Lane, San Jose Avenue and O'Hara Avenue. These improvements include—but are not limited to—drainage, water, sanitary sewer, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, traffic signals and other miscellaneous improvements.

The cited list of facilities are proposed to include incidental expenses associated with the formation of the Assessment District, including - but not limited to - the cost of planning, engineering and designing the facilities, the cost associated with the creation of the District, the issuance of bonds thereof, the determination of the amount of the assessment, the collection of the assessment, the payment of the assessment or costs otherwise incurred in order to carry out the authorized purposes of the District, and any other expenses incidental to the construction, completion and inspection of the facilities.

SUBJECT PHOTOGRAPHS

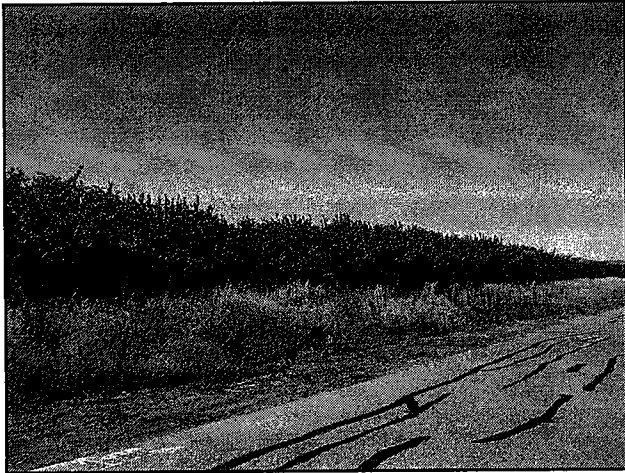


Subdivision 9050 (Passport Homes)

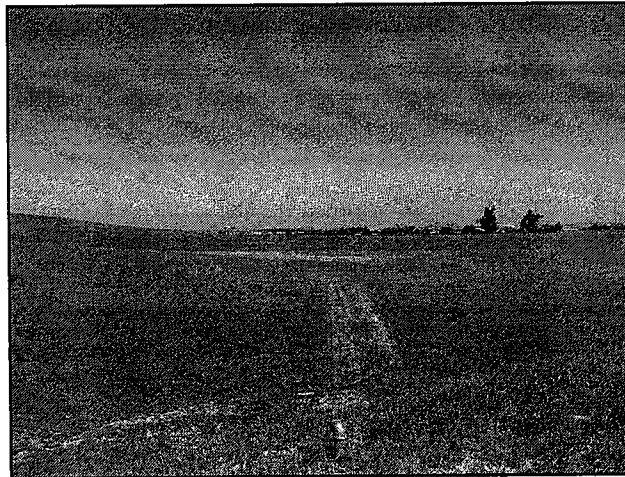


Subdivision 9050 (Passport Homes)

SUBJECT PHOTOGRAPHS



Subdivision 8311 (Pulte Home Corporation)



Subdivision 8506 (West Coast Home Builders)

SUBJECT PHOTOGRAPHS



Subdivision 8548 (Standard Pacific Homes)

HIGHEST AND BEST USE ANALYSIS

The term "highest and best use," as used in this report, is defined as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity.⁴

Two analyses are typically required for highest and best use. The first analysis is highest and best use of the properties as though vacant. The second analysis (highest and best use as improved) is not necessary since the appraised properties represent unimproved land. Definitions of these terms are provided in the *Glossary of Terms* in the Addenda to this report.

Highest and Best Use – As Vacant

In accordance with the definition of highest and best use, it is appropriate to analyze the subject properties as though vacant as it relates to legal permissibility, physical possibility, financial feasibility and maximum productivity.

Legal Permissibility

The legal factors influencing the highest and best use of the subject properties are primarily government regulations, such as zoning and building codes. The various single-family residential subdivisions (tracts) comprising the land areas situated within the boundaries of Assessment District No. 2006-1 are zoned single-family residential or PD: Planned Development. The purpose of the PD land use designation is to allow creative designs not associated with straight, or typical, zoning districts. Density variations are also required and/or permissible. The following table details the land use designations for each of these developments.

Tract	Developer	Zoning
SUBD 8548	Standard Pacific Homes	PD-46
SUBD 9050	Passport Homes	R-1-E
SUBD 8506	West Coast Home Builders	PD-36
SUBD 8311	Pulte Homes	PD-26

Each of the proposed subdivisions has an approved tentative map. The area has undergone extensive planning and review. Zoning modifications are considered highly unlikely. In accordance with the PD

zoning ordinances, as well as the approved entitlements for the subject properties, single-family residential development is the only legally permissible use as vacant.

Physical Possibility

The physical characteristics of a site that affect its possible use(s) include, but are not limited to, location, street frontage, visibility, access, size, shape, topography, availability of utilities, off-site improvements, easements and soil and subsoil conditions. Since the legally permissible test has resulted in a singular potential use for single-family residential development, at this point the physical characteristics are examined to see if they are suited for the legally permissible use conclusion.

Based on our physical inspection of the subject properties, we know of no reason why they would not support any legal development. The developable land areas of the subject properties are positioned outside of the 100-year flood plain. Additionally, the appraised properties are not located within a Fault-Rupture Hazard Zone, and all utility services are available. Evidence of residential construction in the immediate area provides additional support for the possibility of development. Typical roadway and utility easements exist but are not unusual in any way. It is assumed any easements do not adversely affect the subjects' potential for development.

Overall, the subject properties have physical characteristics that support the legally permissible uses.

Financial Feasibility

A determination of financial feasibility is dependent primarily upon demand. The subject properties are located in the city of Brentwood, in eastern Contra Costa County, an area that has experienced stable population and employment growth over the past several years. After analyzing current absorption rates of residential projects in Brentwood and throughout the eastern Contra Costa County market area, it appears single-family residential development will continue to be well received by the marketplace.

Please refer to the *Market Analysis* section for a discussion on absorption rates and supply and demand influences. As noted, the subject properties have entitlements for subdivision into 800 single-family residential lots. Sales of new and existing homes in the east Contra Costa County region have improved significantly over the past few years, and new home prices continue to escalate in the current market environment, albeit at a moderated pace relative to the annual increases experienced over previous years.

⁴ *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 135.

Due to historical increases in home prices over recent quarters, land values have also increased commensurately. However, even with current land prices, builders are reportedly making sufficient profits to warrant construction of new residential units. After analyzing current absorption rates of residential projects in the east Contra Costa County market area, it appears single-family residential development will continue to be well received by the marketplace. Regardless of the recent moderation in sales, the sales figures for 2005 are still strong compared to historical figures. Homes in the move-up levels generally indicate slower absorption rates, as demand slowly pushes buyers into these levels. However, current pricing and absorption rates for product geared toward the moderate to upper-income earners suggests profit levels and rates of return attractive to builders. Considering the continued, though moderating, demand for new housing in the east Contra Costa County area, as evidenced by the continually increasing median new home price, single-family residential development is considered a financially feasible use of as vacant.

Maximum Productivity – Conclusion

Legal, physical and market conditions have been analyzed to evaluate the highest and best use of the subject properties. The analysis is presented to evaluate the type of use(s) that will generate the greatest level of future benefits possible to the properties. Based on the factors previously discussed, single-family residential development is the maximally productive land use that is legally permissible, physically possible and financially feasible. Therefore, considering the subjects' specific characteristics, the highest and best use of the subject properties is for single-family residential use consistent with the underlying zoning ordinances. Several of the subject properties are encumbered by an affordable housing requirement stipulating a certain number of the dwelling units must be set aside for very low income, low income and moderate income households. While affordable housing does not represent the maximally productive use of the properties, it is mandated by the City of Brentwood and, therefore, is considered in the valuation.

APPROACHES TO VALUE

The valuation process is a systematic procedure employed to provide the answer to a client's question about the value of real property.⁵ This process involves the investigation, organization and analysis of pertinent market data and other related factors that affect the market value of real estate. The market data is analyzed in terms of any one or all of the three traditional approaches to estimating real estate value. These are the cost, sales comparison, and income capitalization approaches. In the valuation of the subject properties, one additional approach, the extraction technique, is also applicable. Each approach to value is briefly discussed and defined as follows:

Cost Approach

The cost approach is based on the premise that no prudent buyer would pay more for a particular property than the cost to acquire a similar site and construct improvements of equivalent desirability and utility. Thus, this approach to value relates directly to the economic principle of substitution, as well as supply and demand. The cost approach is most applicable when valuing properties where the improvements are new or suffer only a minor amount of accrued depreciation, and is especially persuasive when the site value is well supported. The cost approach is also highly relevant when valuing special-purpose or specialty properties and other properties that are not frequently exchanged in the market.

The definition of the cost approach is offered as follows:

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.⁶

Sales Comparison Approach

The sales comparison approach is based on the premise that the value of a property is directly related to the prices being generated for comparable, competitive properties in the marketplace. Similar to the cost approach, the economic principles of substitution, as well as supply and demand are basic to the sales comparison approach. This approach has broad applicability and is particularly persuasive when there has been an adequate volume of recent, reliable transactions of similar properties that indicate value patterns or trends in the market. When sufficient data are available, this approach is the most direct and systematic approach to value estimation. Typically, the sales comparison approach is most pertinent when valuing land, single-family homes and small, owner-occupied commercial and office properties.

⁵ *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 305.

⁶ *The Dictionary of Real Estate Appraisal*, 67.

The definition of the sales comparison approach is offered as follows:

A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales are available.⁷

Income Capitalization Approach

The income capitalization approach is based on the premise that income-producing real estate is typically purchased as an investment. From an investor's point of view, the potential earning power of a property is the critical element affecting value. The concepts of anticipation and change, as they relate to supply and demand issues and substitution, are fundamental to this valuation approach. These concepts are important because the value of income-producing real estate is created by the expectation of benefits (income) to be derived in the future, which is subject to changes in market conditions. Value may be defined as the present worth of the rights to these future benefits. The validity of the income capitalization approach hinges upon the accuracy of which the income expectancy of a property can be measured.

Within the income capitalization approach there are two basic techniques that can be utilized to estimate market value. These techniques of valuation are direct capitalization and yield capitalization.

Direct capitalization is a method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor.⁸

Yield capitalization is the capitalization method used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate or by developing an overall rate that explicitly reflects the investment's income pattern, value change, and yield rate.⁹

The definition of the income capitalization approach is offered as follows:

A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.¹⁰

⁷ *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 255.

⁸ *The Dictionary of Real Estate Appraisal*, 88.

⁹ *The Dictionary of Real Estate Appraisal*, 315.

¹⁰ *The Dictionary of Real Estate Appraisal*, 143.

Extraction Technique (Residual Analysis)

A method of estimating land value in which the depreciated cost of the improvements on the improved property is estimated and deducted from the total sale price to arrive at an estimated sale price for the land.¹¹

¹¹ *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 106.

APPRAISAL METHODOLOGY

We have been requested to provide estimates of hypothetical market value of the subject properties by tract/component. The sales comparison approach and extraction technique will be employed to estimate value for the typical, or predominate, production residential lot configuration (7,200 square feet) within the subject properties. Then, we will utilize the data set and other market indicators to establish the incremental value difference between each of the lot groupings either smaller or larger than the subjects' 7,200 square foot lots.

The appraisal report has been conducted in accordance with appraisal standards and guidelines found in the Uniform Standards of Professional Appraisal Practice (USPAP), as well as the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

HYPOTHETICAL MARKET VALUATION – RESIDENTIAL COMPONENT

The hypothetical market values of the subjects' single-family residential lots will be estimated in this section of the report. The valuation assumes the improvements to be financed by the Assessment District No. 2006-1 bond issuance are in place.

In estimating the hypothetical market values of the single-family residential lots, loaded lot indicators for each residential component are derived by analyzing recent transactions in the market area. As a supporting value indicator, the residual analysis, or extraction technique, will be used.

Sales Comparison Approach

In the sales comparison approach, the hypothetical market values of the subjects' individual villages will be estimated by a comparison to similar properties that have sold, are listed for sale or are under contract. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace.

This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 12th Edition, published by the Appraisal Institute, 2001 – “*The principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time. The principle implies that the reliability of the sales comparison approach is diminished if substitute properties are not available in the market.*”

The sales comparison approach will be utilized to estimate the loaded lot indicators for the subjects' single-family residential component. In the case of land used for production oriented residential development, this process typically entails the analysis of an entitled site on a finished, or fully improved, lot basis. Bulk sales of final mapped and fully improved lots, as well as tentatively mapped unimproved lots will be analyzed. Many merchant builders compare properties based on a finished lot basis. However, two similar properties may possess different finished lot prices because they may have different permits and fees. Lots possessing permits and fees relatively lower than similar comparable lots will have a higher finished lot price, all else being equal. Thus, in the following analysis, we analyze sales comparables on a *loaded lot* basis. Loaded lot values incorporate the unimproved lot price, site development costs (including profit), special assessments and net permits and fees.

After deriving a loaded lot indicator for the subject properties from comparable sales data, the permits and fees for a typical lot within the subject properties, as well as on- and off-site development costs, will be subtracted from the derived loaded lot indicator. The site development

costs per lot quantifies the amount of development needed to transform the unimproved lots into improved lots. Improved lot status includes the completion of in-tract development. As of the date of our inspection, the subjects' residential lots were unimproved. Additionally, the value estimates assume the improvements to be financed by the Assessment District No. 2006-1 bond issuance are in place and available for use.

The comparables will be analyzed to reflect the impact of the bond indebtedness on value. Additionally, there may be differences in Homeowner's Association (HOA) dues (if applicable) between the comparable sales and the subject properties, with some projects not encumbered by an HOA fee. The projects with HOA dues typically have common area amenities that are maintained by the fees. Therefore, the amount of HOA dues is considered offset by the amenities provided by those dues.

Building permit costs can vary substantially between projects, even though they may be located within the same region. Due to differences in building permit costs, all transactions have been analyzed with these costs taken into account.

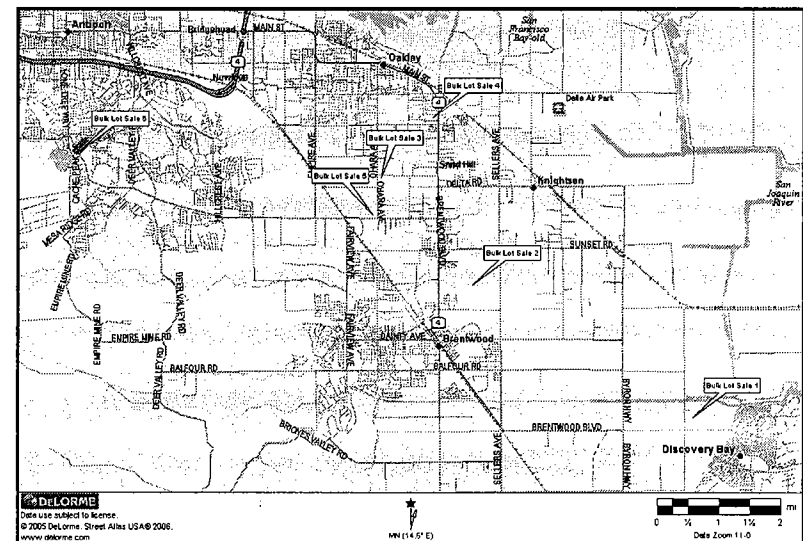
There are four different lot size groupings represented by the subjects' proposed single-family residential lots: 7,200 square feet, 8,000 square feet, 10,514 square feet and 18,500 square feet. The largest single group of lots, in terms of lot count, is the subjects' 7,200 square foot lots. Thus, to facilitate the following analysis, the 7,200 square foot lot grouping will be used as the basis for our valuation. At the end of this section, the data set and other market indicators will be utilized to establish the incremental value difference between each of the lot groupings.

The survey of recent transactions revealed six comparables, including the recent sale of one of the subject properties, in the subjects' market area and surrounding submarkets considered good indicators of hypothetical market value for the subjects' single-family residential component. The sales cover the period from February 2005 to December 2005 and range in quantity from 41 to 480 lots. The sales relied upon in this analysis are summarized in the table on the following page, along with a location map. Detailed sales sheets and an adjustment discussion follow the summary table.

COMPARABLE BULK LOT SALES

No.	Location	Sale Date (Contract)	Sale Price	No. of Lots	Typical Lot Size (SQ FT)	Price Per Lot	Permits and Fees	PV of Roads	Costs to Complete	Loaded Lot Indicator
1	Brookhaven Circle, EO Bister Road Discovery Bay, Contra Costa County, California	Dec-05	\$14,400,000	63	6,700	\$230,000	\$40,000	\$0	\$0	\$270,000
2	SS of Sunset Road, EO State Highway 4 Brentwood, Contra Costa County, California	Sep-05	\$98,000,000	480	6,775 (market rate lots)	\$204,167	\$45,937 (net)	\$0	\$91,456	\$341,560
3	SEQ Brownstone Road & O'Hara Avenue Oakley, Contra Costa County, California	Jul-05	\$23,540,000	107	7,615	\$220,000	\$53,413	\$0	\$98,787	\$372,200
4	SS of Clearwood Drive, WD State Highway 4 Oakley, Contra Costa County, California	Jun-05	\$6,355,000	41	7,000	\$155,000	\$60,000	\$0	\$77,836	\$292,836
5	NWC Lone Tree Way & O'Hara Avenue Brentwood, Contra Costa County, California	Jun-05	\$28,980,000	162	6,800 (market rate lots)	\$178,889	\$45,000	\$0	\$79,200	\$303,089
6	NEC of Lone Tree Way & Bluerock Drive Antioch, Contra Costa County, California	Feb-05	\$13,500,000	86	3,500	\$156,977	\$37,000	\$0	\$71,124	\$265,401

*Inclusive of a 10% allocation for profit.



COMPARABLE BULK LOT SALE NO. 1

Property Identification

Location Brookhaven Circle, east of Bixler Road,
Discovery Bay, Contra Costa County, California
Assessor's Parcel Number(s) 011-580-001 - 063

Sale Data

Grantor The Hofmann Company
Grantee Clyde Miles
Sale Date December 2005 (Pending COE)
Property Rights Conveyed Fee simple
Conditions of Sale Market
Financing Terms All cash to the seller
Sale Price \$14,490,000
Annual Special Assessments per Lot None

Land Data

Zoning PD: Planned Development (single-family)
Topography Generally level
Utilities Available
Number of Lots 63
Development Status at Sale Improved lots
Typical Lot Size (SF) 6,700 square feet

Indicators (Per Lot)

Sale Price \$ 230,000
Site Development Costs \$ 0
Profit Allocation at 10% \$ 0
Finished Lot Indicator \$ 230,000
PV of Bonds \$ 0
Permits and Fees \$ 40,000
Loaded Lot Indicator \$ 270,000

Remarks

This comparable is the December 2005 transfer of 63 improved lots from The Hofmann Company to Clyde Miles. The lots are located in Discover Bay, within the Lakes community, with a central manmade lake in the center of the project, surrounded by production home subdivisions. The purchase price was \$14,490,000, or \$230,000 per finished lot. The typical lot size is approximately 6,700 square feet. The Lakes development includes HOAs of \$215 per month.

COMPARABLE BULK LOT SALE NO. 2

Property Identification

Location South side of Sunset Road, east of State Highway
4, Brentwood, Contra Costa County, California
Assessor's Parcel Number(s) 016-190-008

Sale Data

Grantor DeNova Homes
Grantee Standard Pacific Homes
Sale Date September 2005 (March 29, 2006 COE)
Property Rights Conveyed Fee simple
Conditions of Sale Market
Financing Terms All cash to the seller
Sale Price \$98,000,000
Annual Special Assessments per Lot Proposed

Land Data

Zoning PD, Planned Development (single-family)
Topography Generally level
Utilities Available
Number of Lots 480 (market rate lots)
Development Status at Sale Unimproved lots
Typical Lot Size (SF) 7,200 square feet

Indicators (Per Lot)

Sale Price \$ 204,167
Site Development Costs \$ 83,142
Profit Allocation at 10% \$ 8,314
Finished Lot Indicator \$ 295,623
PV of Bonds \$ 0
Permits and Fees \$ 45,937
Loaded Lot Indicator \$ 341,560

Remarks

This comparable is the sale of the Barrington Subdivision from DeNova Homes to Standard Pacific Homes in September 2005 for \$98,000,000. The project totals 494 single-family residential lots; however, 14 of the lots will be set aside to meet the City's Inclusionary Housing Requirement. Therefore, based on the 480 market rate lots comprising the development, the purchase price equates to \$204,167 per lot. Costs to complete, including profit, were reported at \$91,456 per lot. The developer's budget reflects permits and fees of \$81,240 per lot; however, the budget indicates fee credits attributable to regional improvements of \$35,303 per lot, resulting in net permits and fees of \$45,937 per lot; though, these fee credits have not yet been approved by the City. It should be noted the developer was ultimately responsible for 21 affordable housing lots, not 14.

COMPARABLE BULK LOT SALE NO. 3

Property Identification

Location Southeast quadrant of Brownstone Road and O'Hara Avenue, Oakley, Contra Costa County, California
 Assessor's Parcel Number(s) 034-160-001, -002, -003, -006, -007 and -008

Sale Data

Grantor Oakley Development Inc. (Ryder Homes)
 Grantee Centex Homes
 Sale Date July 12, 2005 (January 4, 2006 COE)
 Property Rights Conveyed Fee simple
 Conditions of Sale Market
 Financing Terms All cash to the seller
 Sale Price \$23,540,000
 Annual Special Assessments per Lot None

Land Data

Zoning Single-family residential
 Topography Generally level to slightly sloping
 Utilities Available
 Number of Lots 107
 Development Status at Sale Unimproved lots
 Typical Lot Size (SF) 7,615 square feet (average)

Indicators (Per Lot)

Sale Price \$ 220,000
 Site Development Costs \$ 89,806
 Profit Allocation at 10% \$ 8,981
 Finished Lot Indicator \$ 318,787
 PV of Bonds \$ 0
 Permits and Fees \$ 53,413
 Loaded Lot Indicator \$ 372,200

Remarks

This comparable represents the July 2005 contract for 107 unimproved lots located within the city of Oakley, immediately contiguous to the city of Brentwood. The purchase price was \$23,540,000, or \$220,000 per unimproved lot. The buyer is participating in an Assessment District to finance offsite improvements required for the development of the property. In December 2005, the buyer also acquired two adjoining properties and has since resubmitted an amended tentative map including four additional lots. Centex Homes plans on marketing five floor plans ranging from 2,470 to 3,966 square feet.

COMPARABLE BULK LOT SALE NO. 4

Property Identification

Location South side of Clearwood Drive, east of State Highway 4, Oakley, Contra Costa County, California
 Assessor's Parcel Number(s) 035-250-004; 035-240-026 and -027 (portions)

Sale Data

Grantor Passport Homes
 Grantee Empire Land LLC
 Sale Date June 2005 (August 16, 2005 COE)
 Property Rights Conveyed Fee simple
 Conditions of Sale Market
 Financing Terms All cash to the seller
 Sale Price \$6,355,000
 Annual Special Assessments per Lot None

Land Data

Zoning R-1-6; single-family residential
 Topography Generally level
 Utilities Available
 Number of Lots 41
 Development Status at Sale Unimproved lots
 Typical Lot Size (SF) 7,000 square feet

Indicators (Per Lot)

Sale Price \$ 155,000
 Site Development Costs \$ 70,760
 Profit Allocation at 10% \$ 7,076
 Finished Lot Indicator \$ 232,836
 PV of Bonds \$ 0
 Permits and Fees \$ 60,000
 Loaded Lot Indicator \$ 292,836

Remarks

This comparable is the transfer of 41 lots in the city of Oakley from Passport Homes to Empire Land Company. The typical lot size is 7,000 square feet. The total purchase price was reported at \$6,355,000, or \$155,000 per unimproved lot. The property was reportedly on the market for one month prior to sale. Site development costs were reported at \$70,760. Including a profit factor of 10%, the finished lot indicator is \$232,836. With permits and fees of \$60,000 per lot, the loaded lot indicator is \$292,836.

COMPARABLE BULK LOT SALE NO. 5

Property Identification

Location Northwest corner of Lone Tree Way and O'hara Avenue, Brentwood, Contra Costa County, California
 Assessor's Parcel Number(s) 018-070-002, 004, 005 and 012; 018-020-004

Sale Data

Grantor Blumen, et al
 Grantee Richmond American Homes
 Sale Date June 2005 (July 27, 2005 COE)
 Property Rights Conveyed Fee simple
 Conditions of Sale Market
 Financing Terms All cash to the seller
 Sale Price \$28,980,000
 Annual Special Assessments per Lot Proposed

Land Data

Zoning PD: Planned Development (single-family)
 Topography Generally level
 Utilities Available
 Number of Lots 162 (market rate lots)
 Development Status at Sale Unimproved lots
 Typical Lot Size (SF) 6,800 square feet

Indicators (Per Lot)

Sale Price \$ 178,889
 Site Development Costs \$ 72,000
 Profit Allocation at 10% \$ 7,200
 Finished Lot Indicator \$ 258,089
 PV of Bonds \$ 0
 Permits and Fees \$ 45,000
 Loaded Lot Indicator \$ 303,089

Remarks

This comparable is the June 2005 transfer of 162 market rate lots and 18 below market rate lots needed to satisfy the Inclusionary Housing Requirement for the city of Brentwood. The property was acquired by Richmond American homes after sealed bids were presented to the seller and the site development costs were confirmed. The final price was adjusted downward to reflect increases found in costs. The topography of this property is level and no atypical site conditions exist. Site development costs were reported at \$72,000 per lot, and permits and fees were reported at \$45,000 per lot. With an allocation for profit on development costs, the loaded lot indicator for this property is \$303,089. At the time of sale, the buyer reported proposed production housing to be constructed on the property with prices ranging from \$670,000 to \$850,000.

COMPARABLE BULK LOT SALE NO. 6

Property Identification

Location Northeast corner of Lone Tree Avenue and Bluerock Drive, Antioch, Contra Costa County, California
 Assessor's Parcel Number(s) 072-012-110

Sale Data

Grantor Bluerock Partners, LLC
 Grantee KB Homes
 Sale Date February 2005 (March 18, 2005 COE)
 Property Rights Conveyed Fee simple
 Conditions of Sale Market
 Financing Terms All cash to the seller
 Sale Price \$13,500,000
 Annual Special Assessments per Lot None

Land Data

Zoning Single-family residential
 Topography Generally level
 Utilities Available
 Number of Lots 86
 Development Status at Sale Unimproved lots
 Typical Lot Size (SF) 3,500 square feet

Indicators (Per Lot)

Sale Price \$ 156,977
 Site Development Costs \$ 64,931
 Profit Allocation at 10% \$ 6,493
 Finished Lot Indicator \$ 228,401
 PV of Bonds \$ 0
 Permits and Fees \$ 37,000
 Loaded Lot Indicator \$ 265,401

Remarks

This comparable represents the February 2005 contract for 86 unimproved lots located within the city of Antioch, which is to northwest of Brentwood (see *Contra Costa County Overview*). The pending purchase price is \$13,500,000, or \$156,977 per unimproved lot.

Many merchant builders compare properties based on a finished lot basis. However, two similar properties may possess different finished lot prices because of differing permits and fees. Properties possessing a lower permit and fee schedule relative to other properties will have a higher finished lot price, all else being equal. Thus, in the following analysis, the sales comparables are analyzed on a *loaded lot* basis. Loaded lot values incorporate the unimproved lot price, site development costs and permits and fees, plus any differences relating to bonds. These items are discussed in the following paragraphs.

Site Development Costs

All of the comparables represents unimproved lot transactions and, as such, site development costs are added to equate the comparables to finished lots for comparison purposes. In order to account for the profit associated with improving the lots, a profit allocation in the amount of 10% of the site development costs is also incorporated.

Permits and Fees (Impact Fees)

The permits and fees are applied on a dollar-for-dollar basis. After the conclusion of loaded lot value (with permits and fees paid), we then subtract the amount of the subjects' permits and fees to arrive at our estimate of revenue.

Each of the residential subdivisions comprising the subject properties has varying permit and fee structures, as well as permits and fees reductions through regional improvements financed by the Assessment District No. 2006-1 bond issuance. Consequently, after deriving the hypothetical loaded lot indicators, the permits and fees – net of corresponding permit and fee credits related to the Assessment District No. 2006-1 bond proceeds – will be deducted.

Bonds and Assessments

None of the comparables were encumbered by bond districts at the time of sale; thus, no adjustments are necessary.

Additional Adjustments

The comparable transactions are adjusted based on the profile of the subject properties with regard to categories that affect market value. If a comparable has an attribute considered superior to that of the subjects, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories considered inferior to the subject properties.

Percentage or dollar adjustments are considered appropriate in order to isolate and quantify the adjustments on the comparable sales data. At a minimum, the appraiser considers the need to make adjustments for the following items:

- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Market conditions (time)
- Physical features

A paired sales analysis is performed in a meaningful way when the quantity and quality of data are available. However, many of the adjustments require our experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace. A detailed analysis involving each of these factors is presented below and on the following pages.

Property Rights Conveyed

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. As previously noted, the opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts and conditions, covenants and restrictions (CC&Rs). All of the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below market financing terms or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales were cash to the seller transactions and, therefore, do not require adjustments.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding.

All of the comparable transactions were arms-length market transactions and do not require a condition of sale adjustment.

Market Conditions (Time)

Market conditions generally change over time, but the date of this appraisal is for a specific point in time. Therefore, in an unstable economy, one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline, extra attention needs to be paid to assess changing market conditions. Significant monthly changes in price levels can occur in several areas of a municipality, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.

In evaluating market conditions, changes between the sale dates and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no time adjustment is required. While the real estate market went into a period of moderation during the 3rd and 4th quarters of 2001, the residential sector began to rebound after this period, with market conditions steadily improving since. While the housing market is showing signs of moderation, the demand for developable residential land has remained relatively strong, as shown by the most recent land sale comparables. Additionally, based on a review of historical pricing for several projects throughout the east Contra Costa County market, as reported by The Gregory Group, an enterprise that tracks the local and regional housing market, home prices continued to escalate in the First Quarter 2006. All of the comparables were negotiated during 2005. Considering the market has shown signs of moderation, no adjustments are warranted.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value include the following:

Location

The subject properties are located within the city of Brentwood, and are considered to have an average overall location. All of the comparables are also located in eastern Contra Costa County. These comparables are considered similar in location in that they are equal distance from employment, services, etc., and have similar economic characteristics. In general, the comparables have the same overall desirability to the most probable buyer or user in the Contra Costa County market; therefore, no adjustments are required for location.

Number of Lots

Generally, there is an inverse relationship between the number of lots and price per lot such that projects (or phases) with a greater number of lots sell for a lower price per lot compared to projects (or phases) with a fewer number of lots due to the discounting associated with larger transactions. Consideration will be given to the disparity in lot count when analyzing the subjects' individual developments.

Lot Sizes

In the following analysis, the sales require upward adjustments for inferior (smaller) lot sizes and downward adjustments for superior (larger) lot sizes compared to the subjects' 7,200 square foot lot size category. The degree of adjustment is dependent on the size disparity between the comparable and the subjects' 7,200 square foot lot size.

Site Utility

Differences in contour, drainage or soil conditions can affect the utility and, therefore, the market value of the lots. Each of the comparable properties possesses similar site utility as the subject properties; no adjustments are necessary.

Lot Premiums and Discounts

This analysis is concerned with the hypothetical market value of the subject properties in bulk. As such, premiums that would be achieved on an individual retail basis have been considered based upon their influence of the value of the properties in bulk. The comparable sales have similar lot premiums as the subject properties and no adjustments are warranted.

Zoning

All of the sales have similar zoning compared to the subject properties; no adjustments are required.

Loaded Lot Indicator – Sales Comparison Approach

In comparison to the subjects' 7,200 square foot lot category, which forms the basis of our analysis, the data set required adjustments for discrepancy in typical lot size, both larger and smaller than 7,200 square feet. Significant interest in developable residential land throughout the greater Contra Costa County area has occurred during the past few years; though, there are currently signs of moderation. Thus, considering the comparables all transferred in 2005, no adjustments were necessary for market conditions. Utilizing the indications of the data set, and considering the similarities and dissimilarities between the data set and the subject properties previously discussed; namely, improvements in market conditions and discrepancies in typical lot size, an indicator of **\$340,000** per loaded lot for the standard 7,200 square foot lots offered by the subject properties is concluded via the sales comparison approach. The estimate of hypothetical market value is inclusive of permits and fees and bonds (present value).

Residual Analysis (Extraction Technique)

As a supporting indication of hypothetical market value, we will utilize the extraction technique. The extraction technique considers the likely selling prices of homes to be offered at the subject developments and then reduces that value by the direct costs, indirect costs and developer's incentive (profit) for the construction of a home. The result of this analysis represents an estimate of the residual lot value for a loaded lot.

Based on the profile of the area residential market, and considering the approved lot sizes, the subject properties could be developed with a range of new homes that would target the middle to upper-income buyer segments of the new home market.

Average Home Price

Using the subjects' standard lot size (7,200 square feet), a typical new production home for the subject properties will be estimated based on a survey of active subdivisions within the Brentwood market. The table on the following page details several competitive projects in the Brentwood market. The data is taken from The Gregory Group 1st Quarter 2006 Housing Report.

Project	Builder	Open Date	Planned Units	No. of Units Sold	Total Weekly Sales Rate	Total Monthly Sales Rate (\$)	Average Floor Plan (\$P)	Average Base Price
Sterling Preserve II - The Enclave	Meritage Homes	Nov-02	236	162	0.91	3.91	13,000	4,092
Ponderosa Crossroads	Ponderosa Homes	Feb-03	120	99	0.61	2.61	9,000	3,128
Senza	Lafferty Homes	Aug-03	84	72	0.53	2.26	6,000	3,050
Monterena	Centex Homes	Jul-03	196	184	1.30	5.61	10,000	3,600
Sterling Finanzele	Meritage Homes	Jan-04	124	111	1.17	5.02	8,500	3,625
Garin Landing	Signature Properties	Jul-04	96	93	1.03	4.44	3,080	2,036
Bridgeview at Deer Ridge	KB Homes	Aug-04	140	113	1.35	5.78	7,500	3,210
Visions @ Brentwood	Warrington Homes	Aug-04	133	83	0.99	4.25	8,000	3,674
Dream Catcher Ridge	D.R. Horton	Nov-04	169	90	1.27	5.45	7,500	2,891
Classics at Rose Garden	Pulte Homes	Jan-05	121	94	1.52	6.52	8,500	3,293
Copper Gate	D.R. Horton	Feb-05	120	118	2.00	8.60	1,840	1,476
Gallery @ Rose Garden	Pulte Homes	Jan-05	151	92	1.48	6.38	4,200	2,503
The Parc at Cedarwood	Signature Properties	Jan-05	75	38	0.62	2.68	7,095	2,273
Estates at Rose Garden	Pulte Homes	Jan-05	98	76	1.23	5.27	6,000	2,517
Arbors at Rose Garden	Pulte Homes	Jan-05	111	111	1.79	7.70	3,825	2,168
Brighton Station	Discovery Builders	Jul-05	199	20	0.57	2.46	4,000	2,457
Garin Corners	Signature Properties	Oct-05	64	9	0.38	1.61	6,000	1,872
Maniposa	Lenmar Communities	Aug-05	154	29	0.91	3.90	8,000	3,043
Granville Estates	D.R. Horton	Nov-05	84	33	1.57	6.76	10,800	3,635
Sage Glen Estates	D.R. Horton	Jan-06	109	16	1.60	6.88	6,800	2,760

Examination of the active single-family residential developments in the Brentwood market, with emphasis to the Bridgeview at Deer Ridge development by KB Homes and Dream Catcher Ridge by D.R. Horton, which both offer generally similar lots sizes, for the purposes of this extraction technique, a 3,200 square foot floor plan will be utilized, with an average base price of \$725,000. The average assessment lien for the subject's 7,200 square foot lots represented by the Barrington Estates subdivision is estimated at \$19,000 per lot, which is also included to establish a total consideration base price.

Direct Costs, Indirect Costs and Profit

Construction costs are generally classified into two groups, direct and indirect costs. Direct costs reflect the cost of labor and materials to build the homes. Indirect items are the carrying costs and fees incurred during the development and construction cycle. The direct costs of construction are estimated based on reported costs for residential projects in the Northern California region, with support from the Residential Cost Handbook, a nationally recognized cost-estimating guide published by the Marshall and Swift Corporation. Direct cost estimates reported from other projects are tabulated in the table on the following page.

Project / Location	Effective Date	Floor Plan (SF)	Direct Costs per SF
Diablo Grande	2006	2,684	\$82.07
		2,865	\$81.73
		3,298	\$82.10
		3,511	\$81.66
		3,480	\$81.22
		3,828	\$80.37
		3,957	\$82.10
		4,148	\$81.66
Brentwood	2005	3,156	\$66.99
		3,480	\$63.05
		3,600	\$62.25
		3,714	\$65.51
		3,909	\$61.75
		3,958	\$60.52
		4,212	\$62.89
		4,639	\$58.19
American Canyon	2005	1,842	\$61.98
		2,558	\$62.87
		2,699	\$66.65
Suisun City	2005	2,000 - 2,250	\$65.00
Novato	2005	2,973	\$112.00
		3,399	\$112.00
		3,750	\$115.00
		3,908	\$112.00
Novato	2005	2,819 - 3,418	\$95.00
Livermore	2005	3,277	\$78.65
		3,774	\$76.65
		4,030	\$74.65

There have been steady escalations in direct construction costs reported throughout the market during the last year. With consideration given to the indications of the project in Brentwood from 2005, which suggests a direct construction cost of \$67 per square foot, coupled with a 10% appreciation in costs, average direct costs in the amount of \$72 per square foot are estimated for the subject's hypothetical 3,200 square foot floor plan.

The following list itemizes some of the typical components comprising indirect costs:

- Architectural and engineering fees for plans, plan checks, surveys and environmental studies
- Appraisal, consulting, accounting and legal fees

- The cost of carrying the investment in land and contract payments during construction. If the property is financed, the points, fees or service charges and interest on construction loans are considered
- All-risk insurance
- The cost of carrying the investment in the property after construction is complete, but before sell-out is achieved
- Developer fee earned by the project coordinator

Conversations with local homebuilders indicate the cost items comprising the indirect cost category generally range from 10% to 15% of the direct costs. Based on the experience of other similar projects in the subjects' market area and the developers' information, a factor of 15% of direct costs will be utilized to account for the indirect items.

General and Administrative

General and administrative expenses consist of management fees, liability and fire insurance, inspection fees, appraisal fees, legal and accounting fees, and copying or publication costs. This expense category typically ranges from 2.5% to 4.0% of retail sales, depending on length of project and if all of the categories are included in a developer's budget. Based on industry averages, an expense of 3.0% for General and Administrative will be used.

Marketing and Sale

These expenses typically consist of advertising and promotion, closing costs, sales operations (hostess, office supplies, telephone, computer lease), signs, and sales commissions. The expenses are expressed as a percentage of the gross sales revenue.

The range of marketing and sales expenses typically found in projects within the subjects' market area is 5.0% to 6.5%. Considering the specifics of the subject properties, a figure of 6.0%, or 4.0% for marketing and 2.0% for sales is used in the marketing and sales expense category.

Developer's Overhead and Profit

According to industry sources, developer's overhead and profit historically has ranged anywhere from 5% to 20%, with profit margins more recently being reported at the upper end of the range. Elements affecting profit include location, supply/demand, anticipated risk, construction time frame, and project type. Another element considered in profit expectations is for the development stage of a project. First phases typically generate a lower profit margin due to cautious or conservative pricing as new subdivisions in competitive areas must become established to generate a fair market share. Additionally, up front development costs on first phases can produce lower profit margins. Product geared towards the entry-level homebuyer typically achieve higher absorption rates, suggesting a

lower profit of 10%; whereas, product geared towards the move-up homebuyer segment typically reflect lower absorption rates, as fewer buyers are able to afford the higher priced product. Thus, profit expectations tend to be higher, towards 15%. Based on current market conditions, and considering the price and size of the hypothetical product used in this analysis, a profit expectation between the range, or 12% of the indicated retail value, is considered reasonable.

Conclusion

The residual analysis, based upon the cited factors, is presented on the following page.

Living Area (SF)	3,200
Sale Price	\$725,000
Assessment Lien	\$19,000
Total Consideration	\$744,000
Less:	
Direct costs of construction (3,200 sf x \$72 psf)	(\$230,400)
Indirect costs at 15% of direct costs	(\$34,560)
General and administrative at 3% of sales price	(\$21,750)
Sales and marketing at 6% of sales price	(\$43,500)
Developer's profit at 12% of sales price	(\$87,000)
Loaded Lot Value	\$326,790
Rounded	\$327,000

As discussed under the *Highest and Best Use*, the subject developments are considered most profitable as new home production subdivisions targeted towards middle to upper-income homebuyers. The extraction technique is similar to an analysis performed by a merchant builder and does not require an absorption analysis or any further discounting.

Reconciliation of Loaded Lot Value

The value estimates derived for the predominant, typical lot of the subject properties via the extraction technique and the sales comparison approach are presented below.

<i>Sales Comparison Approach</i>	\$340,000
<i>Extraction Technique</i>	\$327,000

Generally, the sales comparison approach is deemed the best overall method in the valuation of vacant land. The extraction technique was employed as the supporting indication of value. Under this premise, the land value of the subject properties is derived as a remainder amount based on the most likely end product. In the instance of the subject properties, the end product could be a variety

of product at more than one range of values. As illustrated above, the value indicator derived via the extraction technique is reasonably similar to the value concluded via the sales comparison approach, a difference of less than four percent, and is believed to substantiate the sales comparison approach value conclusion. Considering the information cited above, we have concluded a loaded lot value of **\$340,000** per lot for the subjects' base 7,200 square foot lot.

Loaded Lot Indicators

Using the 7,200 square foot base lot size, which represents the largest single group of lots in terms of lot count, we have made qualitative adjustments to the remaining category of lots to derive final estimates of value for each lot grouping represented by the subject properties. The following table details the hypothetical loaded lot value conclusions for each lot size category.

Developer	Tract/APN	No. of Lots	Average Lot Size (SF)	Loaded Lot Value
Standard Pacific Homes	SUBD 8548	480	7,200	\$340,000
Passport Homes	SUBD 9050	59	18,500	\$374,000
West Coast Home Builders	SUBD 8506	166	8,000	\$346,000
Pulte Homes	SUBD 8311	106	10,514	\$357,000

In order to estimate the hypothetical market values of the subject properties, deductions are required for site development costs and permits and fees. The site development costs are based on the developers' budgets. In-tract development costs were not available for West Coast Home Builders. Only offsite costs of \$29,482 were known at this time; consequently, development costs for similar developments will be used to estimate in-tract costs for this component of the subject properties.

A table of site development costs from comparable single-family residential subdivisions throughout Northern California is presented below for comparison.

Location	Date of Estimate	Number of Lots	Typical Lot Size (SF)	Development Costs per Lot
Lincoln, Placer County	2006	149	6,926	\$79,829
Folsom, Sacramento County	2006	21	2,614	\$42,686
Rocklin, Placer County	2006	103	19,285	\$95,845
Winters, Solano County	2006	40	11,150	\$53,050
Brentwood, Contra Costa County	2005	211	5,000	\$61,635
Brentwood, Contra Costa County	2005	166	10,000	\$65,000
Brentwood, Contra Costa County	2005	84	10,200	\$107,623
Linda, Yuba County	2005	207	10,000	\$63,000
Antioch, Contra Costa County	2005	360	8,869	\$106,239
Elk Grove, Sacramento County	2005	35	87,120	\$133,831

Based on the cost comparables presented, in tract development costs of \$60,000 per lot are considered reasonable for the West Coast Homes Builders component. According to the developer's budgets, the following table reflects the site development costs for the subject properties.

Owner/Developer	Tract/APN	No. of Lots	Typical Lot Size (SF)	Total Site Development Costs per Lot
Standard Pacific Homes	SUBD 8548	490	7,200	\$91,456
Passport Homes	SUBD 9050	59	18,500	\$93,776
West Coast Home Builders*	SUBD 8506	166	8,000	\$89,482
Pulte Homes	SUBD 8311	106	10,514	\$73,400

* Estimated in-tract costs

Similar to the profit factor utilized in deriving the finished lot indicator for the comparable sales (unimproved lot comparables), a profit factor of 10% is included in the site development costs. Site development costs will be deducted from the loaded lot indicators for each of the individual subdivisions.

The Assessment District No. 2006-1 bond issuance will finance a portion of the developers' infrastructure cost obligations. By installing certain off-site improvements that will ultimately serve future developments in the area, the developers will receive fee credits from the City of Brentwood. The most recent fee credit estimates available are relied upon to account for permit and fee reductions.

Absorption Analysis

In attempting to estimate the marketing time that would be required for the disposition of the single-family residential villages, we have looked at both the historical marketing times of a number of sales, as well as current and projected economic conditions. For the most part, the sales that have been used in this report sold within a 3 to 12 month time frame.

In developing an estimate of the absorption period for the subject properties, consideration is given to both the impacts for present market conditions as well as anticipated changes in the market. Real estate is cyclical in nature, and it is difficult to accurately forecast specific demand over a projected absorption period. Estimating absorption is based on several factors. One consideration is the past experience of local residential developers that are marketing similar projects. This analysis is best measured by historic absorption rates for lots in the Northern California Region. The recent level of demand for single-family homes in the subjects' market area, coupled with the limited supply of entitled land near ready for development, should bode well for the subject properties.

In one of the largest transactions to date, Shea Homes purchased Villages C, D, H, I, J, K and L of the Mountain House master planned community in Tracy, San Joaquin County from Trimark

Communities for \$900,000,000. The entire Mountain House master planned community consists of 4,784 acres, of which the seller (Trimark Communities) developed a 3,900-acre community consisting of 12 villages. The first three villages (Villages E, F and G) were purchased by Lennar approximately three years earlier and rapid single-family residential development has occurred since that time. This transaction with Shea Homes represents the sale of all of the remaining residential villages that were fully entitled, including tentative map approvals for 8,900 units, and also had all required regulatory permits. This transaction did not include the commercial and multifamily land that was retained by the seller. The development plan is for 8,900 residential units on approximately 1,800 acres (density of approximately 5 units per acre), including a 2,500-unit planned age-restricted golf course community in Villages I and J, some commercial development and open space.

Illustrating the demand for developable residential land throughout northern California, in the city of Rancho Cordova, in Sacramento County, is the Anatolia master planned community, which encompasses approximately 1,214 gross acres designated for the development of 3,112 single-family residential lots, a multifamily site, commercial parcels, parks and two school sites. Additionally, this development has approximately 481.6 gross acres allocated to open space and wetland preserve. The 16 villages within Anatolia I and II were met by overwhelming demand from merchant builders, even at a time when litigation was ongoing and the future of the development was uncertain. The lawsuits have since been resolved and each of the villages transferred within one year.

In March 2005, the proposed Bickford Ranch master planned community, which is located in the southern portion of Placer County, just east of the city limits of Lincoln, sold from Lennar to SunCal for \$210,000,000. The Bickford Ranch Specific Plan Area comprises three development communities, the Meadows, the Ridges and Heritage Ridge. The Meadows, located at the base of the development, is divided into seven residential areas with 22 lots ranging from three to ten acres. The Ridges community is situated along the sloping portions of the development and contains 782 detached single-family residential lots, 66 attached townhouse lots and a multifamily residential parcel designated for 106 affordable housing units for age-restricted residents. Heritage Ridge is located along the ridge of the Bickford Ranch development and consists of 19 residential areas with 920 age-restricted single-family residential lots offering significant views of the Sacramento Valley and downtown Sacramento. Heritage Ridge will also include an 18-hole championship golf course. The Bickford Ranch master planned community will include a 9.7-acre commercial site. Under the terms of the purchase and sale agreement, SunCal will sell back to US Homes (Lennar) the 920 lots comprising the Heritage Ridge component of Bickford Ranch, along with the land designated for the golf course.

As further evidence for the demand for developable residential land, within the proposed North Vineyard Station Specific Plan in Sacramento County, the Vineyard Creek master planned community was sold in bulk in August 2005 by Lennar Communities, Inc. to Standard Pacific

Homes, Corp. for \$53,855,000. The transfer involved a total of 375 single-family lots and 6.9 acres of multifamily residential land. At the time of sale, the project had an approved tentative map.

Strong demand for residential land in the northern California region is evidenced by the sale of the Westpark master planned community in Roseville, which is proposed for the development of 3,522 single-family residential lots (including 703 age-restricted and 85 affordable housing units), a multifamily residential component encompassing 697 developable units (including 341 affordable housing units), three commercial sites containing a combined 18.4 acres, a business professional (office) site measuring 10.5 acres, and three industrial sites totaling 108.5 acres. The entire Westpark development (in bulk) transferred from Westpark Associates to PL Roseville, LLC for \$410 million in March 2005. The project was marketed for less than one year.

One of the more convincing observations suggesting continued demand for residential land in the East Bay market is the September 2005 sale of one of the subject properties, the 494 lots comprising the proposed Barrington Estates residential subdivision from DeNova Homes to Standard Pacific Homes for \$98,000,000.

The preceding discussion suggests there is strong demand for developable residential land in the region. Even with the overall number of lots slated for development, it appears demand for residential land outweighs current and projected supply.

For an absorption discussion relating to new home sales in eastern Contra Costa County and the Brentwood area, please reference the *Market Analysis* section of this report. In general, demand for new residences over the past several years has been stable to increasing and, given the limited supply of entitled residential land, new home sales are not expected to diminish over the near-term. Demand for new housing in the area has been very strong over the past several years, and while the overall market is moderating and showing signs of stabilizing, the east Contra Costa County market has sustained well in the current market environment.

Considering the information presented above, we have concluded the single-family residential projects would be marketed and sold to merchant builders within a period of one year, especially considering the lack of entitled and near-term developable residential land in the area. Thus, for the subject properties, no discounting is deemed necessary. It should be noted the absorption conclusion assumes the subject properties would not be marketed concurrently.

Conclusion

Based on the preceding discussion and analysis, the hypothetical market value estimates for the appraised properties, by tract/component, is presented on the following pages.

Conclusion of Hypothetical Market Value – Subdivision 8548 (Standard Pacific Homes)

The Barrington Estates subdivision by Standard Pacific Homes will include 494 single-family residential lots with an average lot size of approximately 7,200 square feet. However, of the 494 lots, 21 lots are required to be set aside to meet the City of Brentwood's Inclusionary Housing Requirement; therefore, the subject property will be analyzed as 473 market rate lots. Total permits and fees for the Barrington Estates development average \$81,240 per lot; however, the developer is entitled to permit and fee credits through participation in Assessment District No. 2006-1, which results in a reduction in permits and fees of \$16,799. Thus, total permit and fees due at building permit equal \$64,441 per lot. It should be noted the developer's cost budget indicates fee credits attributable to regional improvements of \$35,303 per lot, which was reflected in the loaded lot indicator. However, according to the City of Brentwood Engineering Department, the City has not approved the budgeted fee credits. Therefore, only those fee credits associated with the Assessment District No. 2006-1 bond proceeds will be considered in this analysis. Net permits and fees, as well as off-site and on-site improvement costs, will be deducted in order to provide an estimate of hypothetical market value for the Barrington Estates subdivision by Standard Pacific Homes. Based on the developer's budget, total development costs, including a profit factor of 10%, are estimated at \$91,456 per lot. The estimate of hypothetical market value for the component held by Standard Pacific Homes is as follows:

Tract/Configuration	Amount (\$)
SUBD 8548 (473 market rate lots)	
Loaded Lot Value	\$340,000
Less: Site Development Costs	(\$91,456)
Less: Net Permits and Fees	(\$64,441)
Conclusion of Hypothetical Market Value	\$184,103
Extension	\$87,080,719
Rounded	\$87,080,000

Conclusion of Hypothetical Market Value – Subdivision 9050 (Passport Homes)

The Estates at the Preserve subdivision by Passport Homes will include 59 single-family residential lots with an average lot size of approximately 15,000 square feet. Net permits and fees, as well as off-site and on-site improvement costs, will be deducted in order to provide an estimate of hypothetical market value for the Estates at the Preserve subdivision by Passport Homes. Based on the developer's budget, total site development costs equate to \$93,776 per lot, inclusive of a profit factor of 10%. Total permits and fees equate to \$60,030 per lot. However, the developer is entitled to impact fee reductions (\$5,098 per lot) associated with the off-site development. Therefore, the net permits and fees deducted from the conclusion of loaded lot value equate to \$54,932 per lot. The estimate of hypothetical market value for the component held by Passport Homes is as follows:

Tract/Configuration	Amount (\$)
SUBD 9050 (59 lots)	
Loaded Lot Value	\$374,000
Less: Site Development Costs	(\$93,776)
Less: Net Permits and Fees	(\$60,030)
Conclusion of Hypothetical Market Value	\$225,292
Extension	\$13,292,222
Rounded	\$13,290,000

Conclusion of Hypothetical Market Value – Subdivision 8506 (West Coast Home Builders)

The Bridle Gate subdivision by West Coast Home Builders will include 166 single-family residential lots with an average lot size of approximately 8,000 square feet. Net permits and fees, as well as off-site and on-site improvement costs, will be deducted in order to provide an estimate of hypothetical market value for the Bridle Gate subdivision by West Coast Home Builders. Off-site development costs were reported by the developer at \$29,482 per lot, including profit. An engineer's cost estimate for on-site development costs were not available for use in this analysis; however, based on cost comparables from other projects in the area, on-site development costs are estimated at \$60,000 per lot, including profit, for a total of \$89,482 per lot. Total permits and fees equate to \$62,396 per lot. However, the developer is entitled to impact fee reductions (\$20,830 per lot) associated with the off-site development. Therefore, the net permits and fees deducted from the conclusion of loaded lot value equate to \$41,566 per lot. The estimate of hypothetical market value for the component held by West Coast Home Builders is as follows:

Tract/Configuration	Amount (\$)
SUBD 8506 (166 lots)	
Loaded Lot Value	\$346,000
Less: Site Development Costs	(\$89,482)
Less: Net Permits and Fees	(\$62,396)
Conclusion of Hypothetical Market Value	\$214,952
Extension	\$35,681,955
Rounded	\$35,680,000

Conclusion of Hypothetical Market Value – Subdivision 8311 (Pulte Homes)

The Carmel Estates subdivision by Pulte Homes will include 106 single-family residential lots with an average lot size of approximately 10,514 square feet. However, of the 106 lots, four lots are required to be set aside to meet the City of Brentwood's Inclusionary Housing Requirement; therefore, the subject property will be analyzed as 102 market rate lots. Net permits and fees, as well as off-site and on-site improvement costs, will be deducted in order to provide an estimate of hypothetical market value for the Carmel Estates subdivision by Pulte Homes. Total site development costs were reported by the developer at \$73,400 per lot, including profit. Total permits and fees equate to \$72,934 per lot. However, the developer is entitled to impact fee reductions (\$11,449 per lot) associated with the off-site development. Therefore, the net permits and fees deducted from the conclusion of loaded lot value equate to \$61,485 per lot. The estimate of hypothetical market value for the component held by Baca Properties is as follows:

Tract/Configuration	Amount (\$)
SUBD 8311 (102 lots)	
Loaded Lot Value	\$357,000
Less: Site Development Costs	(\$73,400)
Less: Net Permits and Fees	(\$61,485)
Conclusion of Hypothetical Market Value	\$222,115
Extension	\$22,655,680
Rounded	\$22,660,000

FINAL CONCLUSION OF HYPOTHETICAL MARKET VALUES

The purpose of this appraisal has been to estimate the hypothetical market values (*fee simple estate*) of the subject properties, assuming the completion of the primary infrastructure and facilities to be financed by the Assessment District No. 2006-1 bond issuance. The hypothetical market value estimates are subject to the impact of the Assessment Lien securing the bonds. The following estimates represent the hypothetical market values by tract/component. The sum of the component values represents the aggregate, or cumulative, value of the properties, which is NOT equivalent to the hypothetical market value of the District as a whole. As a result of our analysis, it is our opinion the hypothetical market values of the subject properties, in accordance with the definitions, certifications, assumptions, and significant factors set forth in the attached document (please refer to pages 8 through 10), as of May 19, 2006, are...

Component	Tract	Value
Standard Pacific Homes	SUBD 8548	\$87,080,000
Passport Homes	SUBD 9050	\$13,290,000
West Coast Home Builders	SUBD 8506	\$35,680,000
Pulte Homes	SUBD 8311	\$22,660,000
Cumulative Value		\$158,710,000

EXPOSURE TIME

Exposure time is the period a property interest would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. For a complete definition of exposure time, please reference the *Glossary of Terms* in the Addenda.

In attempting to estimate a reasonable exposure time for the subject properties, we looked at both the historical exposure times of a number of sales, as well as current and past economic conditions. The real estate market in the Contra Costa County market has been very strong for the past several years. The discussion of absorption in the valuation section of this report profiles a number of large land sales throughout the Northern California region. Based on that discussion, a transfer of residential land in the region typically occurs within 12 months of exposure. It is estimated the exposure time for the subject properties would be within 12 months on a wholesale basis.

SALES HISTORY

Subdivision 8548

According to public records, assessor's parcel 016-190-008, which comprises Subdivision 8548 transferred from Ronald Stolich, et al, to Barrington Estates LLC (Standard Pacific Homes) on May 29, 2006. The land was optioned by DeNova Homes, the details of which were not provided for this analysis. In September 2005, DeNova Homes sold the property to Standard Pacific Homes for \$98,000,000. This was an arm's length market transaction with no known unusual contingencies. To the best of our knowledge, the property is not currently being marketed for sale. It should be noted Standard Pacific Homes' site development budget reflects \$35,303 per lot in fee credits attributable to infrastructure improvements being installed by the developer. However, the City has not approved the fee credits at this time; consequently, while the loaded lot indicator of \$341,560 per lot reflects the lower permits and fees budgeted by the developer, for purposes of this analysis, the full impact of permits and fees, less only those fee credits attributable to City of Brentwood Assessment District No. 2006-1 bond proceeds, were considered in this analysis. As such, the conclusion of hypothetical market value derived herein (\$87,080,000) is less than the September 2005 purchase price.

Subdivision 9050

In October 2004, Passport Homes went into contract to purchase the subject property from Leroy F. Dutra, et al, for \$200,000 per acre, or \$6,946,000, contingent on receipt of tentative map. Close of escrow is scheduled for March 2007. This is an arm's-length market transaction with no known unusual contingencies. To the best of our knowledge, the subject property is not currently being marketed for sale.

Subdivision 8506

There have been no arm's-length market transactions involving the subject property within the last three years. To the best of our knowledge, the subject property is not currently being marketed for sale.

Subdivision 8311

On November 30, 2004, Pulte Home Corporation (grantee) entered into a Purchase and Sale Agreement with Arthur A. Biedermann (grantor) to purchase the subject property for \$12,550,000 as 38 acres of unentitled land. Close of escrow shall occur within 90 days of final approval of the tentative map by the City of Brentwood. There have been no other arm's-length market transactions involving the subject property within the last three years. To the best of our knowledge, the subject property is not currently being marketed for sale.

APPENDIX B
ENGINEER'S REPORT

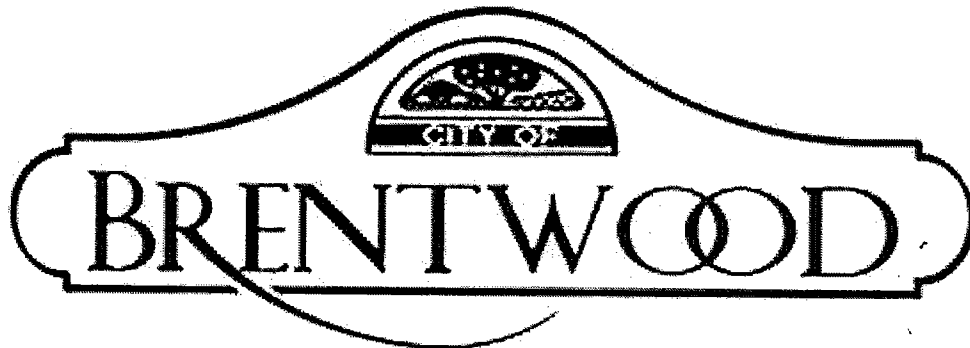
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**FINAL
ENGINEER'S REPORT**

ASSESSMENT DISTRICT NO. 2006-1

**CITY OF BRENTWOOD
CONTRA COSTA COUNTY, CALIFORNIA**

July 11, 2006



ENGINEER'S REPORT

**ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA**

The undersigned respectfully submits the enclosed report as directed by the City Council.

DATED: _____, 2006.

BALWINDER GREWAL, PE City Engineer
Engineer of Work
City of Brentwood,
Contra Costa County,
California

By _____
Balwinder Grewal, PE City Engineer

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2006.

MARGARET WIMBERLY, City Clerk
City of Brentwood,
Contra Costa County,
California

By _____
Margaret Wimberly

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Brentwood, Contra Costa County, California, on the _____ day of _____, 2006.

MARGARET WIMBERLY, City Clerk
City of Brentwood,
Contra Costa County,
California

By _____
Margaret Wimberly

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was recorded in my office on the _____ day of _____, 2006.

BALWINDER GREWAL, PE City Engineer
City of Brentwood,
Contra Costa County,
California

By _____
Balwinder Grewal, PE City Engineer

ENGINEER'S REPORT

ASSESSMENT DISTRICT NO. 2006-1 CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

CITY OF BRENTWOOD, as Engineer of Work for Assessment District No. 2006-1, City of Brentwood, Contra Costa County, California, makes this report, as directed by the City Council, pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913).

The improvements which are the subject of this report are briefly described in Exhibit A attached hereto.

Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, shall be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall not mature not more than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

This report includes the following attached exhibits:

- EXHIBIT A** - Description of improvements to be acquired.
- EXHIBIT B** - Plans and specifications for improvements to be acquired. Plans and specifications are a part of this report but are separately bound.
- EXHIBIT C** - An estimate of the cost and expense of the improvements and related incidental expenses of the legal proceedings and bond financing.
- EXHIBIT D** - An assessment roll, showing the amount proposed to be specially assessed against each parcel of real property within this Assessment District and the names and addresses of the owners of real property within this Assessment District, as shown on the last equalized assessment roll for taxes, or as known to the Clerk. Each parcel is described by County Assessor's parcel number or other designation, and each parcel is also assigned a separate "assessment number" for the purposes of this proceeding.
- EXHIBIT E** - A statement of method by which the undersigned determined the amount proposed to be assessed against each parcel, based on benefits to be derived by each parcel, respectively, from the improvements.
- EXHIBIT F** - A diagram showing all of the parcels of real property to be assessed within this Assessment District. The diagram is keyed to Exhibit D by assessment number.
- EXHIBIT G** - Proposed maximum annual assessment per parcel for current costs and expenses.
- EXHIBIT H** - Compliance with Part 7.5 of Division 4 of The California Streets and Highway Code.
- EXHIBIT I** - Description of right-of-way acquisition as part of the Assessment District.

EXHIBIT A
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

DESCRIPTION OF IMPROVEMENTS

The City Council intends to order the acquisition of the following improvements under the authority of the Municipal Improvement Act of 1913. The following numbered items correspond to the AD/CIFP Table found in this report.

1A. Sand Creek Road Off-site (West of TSM 8548, East of Brentwood Boulevard/Highway 4)

The TSM 8548 Off-site Sand Creek Road improvement includes the construction of approximately 1,600 LF of Sand Creek Road from Brentwood Boulevard/Highway 4 to the westerly boundary of TSM 8548. Improvements include:

- * Approximately 1,600 LF of roadway construction, landscaping, drainage and water facilities.

1B. Sand Creek Road In-Tract (From Westerly Boundary of TSM 8548 to the Easterly Boundary)

The TSM 8548 In-Tract Sand Creek Road improvement includes the full width roadway improvements within the boundary of TSM 8548. Improvements include:

Approximately 1,800 LF of roadway construction, landscaping, drainage, water and sewer facilities.

1C. Sand Creek Road (West of Hwy 4 Bypass to Westerly Boundary of TSM 8506)

The TSM 8506 Sand Creek Road improvement includes the full width roadway improvements along the frontage of TSM 8506 from the westerly boundary of TSM 8506 to the Highway 4 Bypass. Improvements include:

- * Approximately 2,400 LF of roadway construction, landscaping, drainage and sewer facilities, intersection signal construction at Sand Creek Road and San Jose Avenue and a signal modification at Sand Creek Road and Highway 4 Bypass and related improvements.

2. Garin Parkway (From Sunset Road to Jennifer Street Within TSM 8548)

The TSM 8548 Garin Parkway improvement includes the full width roadway improvements from Sunset Road to Jennifer Street within the boundary of TSM 8548. Improvements include:

- * Approximately 5,700 LF of roadway construction, landscaping, drainage, water and sewer facilities, and intersection signal construction at Sand Creek Road.

**EXHIBIT A
DESCRIPTION OF IMPROVEMENTS**

3. Sunset Road

The TSM 8548 Sunset Road improvement includes the rehabilitation of the existing roadway along the frontage of TSM 8548. Improvements include:

- * Approximately 1,500 LF of asphalt overlay and new roadway construction, landscaping, utility relocation, drainage and water facilities and intersection signal construction at Garin Parkway.

4. Lone Tree Way

The TSM 9050 Lone Tree Way improvement includes the rehabilitation and widening of the existing roadway between O'Hara Avenue and Tilton Lane. Improvements include:

- * Approximately 1,575 LF of asphalt overlay and new roadway construction, landscaping, utility relocation, drainage and water facilities and intersection improvements at O'Hara Avenue.

5. San Jose Avenue (From Sand Creek Road southerly to St. Regis Dr.)

The TSM 8506 San Jose Avenue Improvements includes that portion of San Jose Avenue within the boundary of TSM 8506 from Sand Creek Road southerly to the existing terminus of St. Regis Dr. Improvements include:

- * Approximately 2,800 LF of roadway construction, drainage, water and sewer facilities, and landscaping.

6. O'Hara Avenue (Adjacent to MS 359-03)

The O'Hara Avenue MS 359-03 improvement includes half width collector and one 12' lane of O'Hara Avenue adjacent to the project. Improvement includes roadway construction, drainage, and landscaping.

This item represents the property owner's financial responsibility for frontage improvements to be constructed by others through City reimbursements.

EXHIBIT A
DESCRIPTION OF IMPROVEMENTS

9. Subtotal Improvements

Items 1 through 6

11. Prepaid Roadway Fees:

Prepayment of City roadway facilities fees to fund capital improvements to the City's Roadway System.

- a) \$ 946,000 Standard Pacific Homes TSM 8548
- b) \$ 816,000 Pulte Homes TSM 8311

12. Prepaid Water Facilities Fees:

Prepayment of City water facilities fees to fund capital improvements to the City's Water System.

- a) \$ 2,270,400 Standard Pacific Homes TSM 8548
- b) \$ 295,000 Passport Homes TSM 9050
- c) \$ 747,000 West Coast Home Builders TSM 8506
- d) \$ 6,654 Albright, APN 016-100-020
- e) \$ 6,654 Hancock, APN 016-030-004

13. Prepaid Wastewater Facilities Fees:

Prepayment of City wastewater facilities fees to fund Capital Improvements to the City's Wastewater Treatment System.

- a) \$ 498,000 West Coast Home Builders TSM 8506
- b) \$ 357,000 Pulte Homes TSM 8311
- c) \$ 3,973 Albright, APN 016-100-020
- d) \$ 3,973 Hancock, APN 016-030-004
- e) \$ 3,973 Clenner, APN 019-060-035

14. Prepaid Parks & Trails Fees:

Prepayment of City parks and trails facilities fees to fund Capital Improvements to the City's Parks & Trails System.

- a) \$ 177,000 Passport Homes TSM 9050
- b) \$ 255,000 Pulte Homes TSM 8311

EXHIBIT A
DESCRIPTION OF IMPROVEMENTS

15. Prepaid State Route 4 Bypass Fee:

Prepayment of Infrastructure Fees to fund Capital Improvements in the City.

- a) \$ 2,365,000 Standard Pacific Homes TSM 8548
- b) \$ 295,000 Passport Homes TSM 9050
- c) \$ 830,000 West Coast Home Builders TSM 8506
- d) \$ 757,350 Pulte Homes TSM 8311

16. Subtotal Cost:

Items 11 through 15.

17. Total Cost

Items 9 and 16.

Possible Additional Items of Work include:

- Sand Creek Road east of TSM 8548 easterly boundary to Sellers Avenue
- TSM 8548 detention basin, storm drain line "A", and related drainage facilities
- Tilton Lane
- Smith Road
- Minnesota Avenue
- Lone Tree Way, offsite improvements for TSM 9050
- Sunset Road

EXHIBIT B
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

PLANS AND SPECIFICATIONS

Plans and specifications for improvements to be constructed are part of this report, but are separately bound.

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
1A. SAND CREEK ROAD WEST OF PROJECT (TSM 8548)

<u>Item Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Amount</u>
<u>SAND CREEK ROAD WEST OF PROJECT</u>				
<u>GRADING</u>				
1 Building Removal	-	EA	\$ 15,000.00	\$ -
2 Clearing and Grubbing	3.5	AC	\$ 1,000.00	\$ 3,539.03
3 Rough Grading	5,500	CY	\$ 3.20	\$ 17,600.00
4 Finish Grading (<i>Lots</i>)	-	LOT	\$ 500.00	\$ -
5 Finish Grading (<i>Streets</i>)	154,160	SF	\$ 0.25	\$ 38,540.00
6 Import	-	CY	\$ 2.50	\$ -
7 Export	-	CY	\$ 10.00	\$ -
			Subtotal	\$ 59,679.03
<u>STREET IMPROVEMENTS</u>				
8 5" Asphalt Concrete	73,650	SF	\$ 1.25	\$ 92,062.50
9 22" Aggregate Base	79,500	SF	\$ 1.76	\$ 139,920.00
10 Pavement Sealant (<i>Fog</i>)	73,650	SF	\$ 0.05	\$ 3,682.50
11 Valley Gutter	-	SF	\$ 3.00	\$ -
12 Median Curb*	3,130	LF	\$ 12.00	\$ 37,560.00
13 5' Sidewalk*	-	SF	\$ 2.85	\$ -
14 Curb & Median Subsurface Drains (<i>ST-24</i>)	3,980	LF	\$ 8.00	\$ 31,840.00
15 Under Sidewalk Drain (<i>Sched. 40 PVC</i>)	-	EA	\$ 20.00	\$ -
16 AC Berm	-	LF	\$ 5.00	\$ -
17 Handicap Ramp*	-	EA	\$ 100.00	\$ -
18 Driveway Approach	-	SF	\$ 3.00	\$ -
19 Driveway Approach (<i>Commercial</i>)	-	SF	\$ 4.00	\$ -
20 Striping*	3,200	LF	\$ 1.00	\$ 3,200.00
21 Joint Trench with Fiber Optic	-	LF	\$ 25.00	\$ -
22 Barricade (<i>Metal: ST 12</i>)	-	LF	\$ 35.00	\$ -
23 Street Trees	61	EA	\$ 90.00	\$ 5,490.00
24 Signs*	0.3	MILE	\$ 8,100.00	\$ 2,365.57
25 Curb & Gutter*	850	LF	\$ 12.00	\$ 10,200.00
26 Survey Monuments	-	EA	\$ 300.00	\$ -
27 Lot Corners	-	EA	\$ 160.00	\$ -
28 Geofabric*	79,500	SF	\$ 0.20	\$ 15,900.00
29 At-Grade RR Crossing*	-	EA	\$ 175,000.00	\$ -
30 Retaining Wall	-	SF	\$ 15.00	\$ -
31 Chain Link Fence	-	LF	\$ 12.50	\$ -
32 Thermoplastic Pavement Markings	500	SF	\$ 0.50	\$ 250.00
33 Canal Removal	-	LF	\$ 100.00	\$ -
34 2" x 6" Redwood Header	2,370	LF	\$ 6.00	\$ 14,220.00
35 AC Berm Removal	-	LF	\$ 3.00	\$ -
36 AC Removal*	-	LF	\$ 1.50	\$ -
37 Sidewalk Removal	-	SF	\$ 1.00	\$ -
38 Curb & Gutter Removal	-	LF	\$ 3.00	\$ -
			Subtotal	\$ 356,690.57

EXHIBIT C
1A. SAND CREEK ROAD WEST OF PROJECT (TSM 8548)

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Amount</u>
<u>DRAINAGE IMPROVEMENTS</u>					
39	18" RCP	1,740	LF	\$ 45.00	\$ 78,300.00
40	42" RCP	10	LF	\$ 48.30	\$ 483.00
41	Type A & C Inlets	8	EA	\$ 1,400.00	\$ 11,200.00
42	Type B, D & E Inlets	-	EA	\$ 1,800.00	\$ -
43	SD Manhole Type I	-	EA	\$ 1,600.00	\$ -
44	SD Manhole Type II	-	EA	\$ 2,600.00	\$ -
45	SD Manhole Type III	1	EA	\$ 4,000.00	\$ 4,000.00
46	Christy V9 Drain Box	-	EA	\$ 200.00	\$ -
47	B-58 Concrete Ditch	-	LF	\$ 25.00	\$ -
48	Concrete Structure	-	CY	\$ 450.00	\$ -
49	Adjust MH to Grade	-	EA	\$ 400.00	\$ -
50	Connect to Existing Storm Drain	-	EA	\$ 1,000.00	\$ -
51	Rip Rap	-	CY	\$ 60.00	\$ -
52	Grouted Rip Rap	-	CY	\$ 80.00	\$ -
53	Earth Ditch	2,370	LF	\$ 12.00	\$ 28,440.00
Subtotal					\$ 122,423.00
<u>WATER IMPROVEMENTS</u>					
54	4" PVC (C900) Class 200	-	LF	\$ 17.00	\$ -
55	6" PVC (C900) Class 200	-	LF	\$ 19.00	\$ -
56	8" PVC (C900) Class 200	120	LF	\$ 21.00	\$ 2,520.00
57	10" PVC (C900) Class 200	-	LF	\$ 24.00	\$ -
58	12" PVC (C900) Class 200	-	LF	\$ 27.00	\$ -
59	16" PVC (C900) Class 200	-	LF	\$ 45.00	\$ -
60	20" PVC (C900) Class 200	1,555	LF	\$ 65.00	\$ 101,075.00
61	Serv. Connections incl. Meter (1.0") (Lot 114)	-	EA	\$ 1,000.00	\$ -
62	Stub (1")	-	EA	\$ 400.00	\$ -
63	Serv. Connections incl. Meter (1.5")	-	EA	\$ 1,200.00	\$ -
64	Stub (1.5")	-	EA	\$ 550.00	\$ -
65	Serv. Connections incl. Meter (2.0") (Parcel A)	-	EA	\$ 1,500.00	\$ -
66	Stub (2")	-	EA	\$ 650.00	\$ -
67	Fire Hydrant	3	EA	\$ 2,500.00	\$ 7,710.00
68	Blow-off Valves	-	EA	\$ 1,500.00	\$ -
69	Air Release Valve	-	EA	\$ 2,000.00	\$ -
70	8" Gate (2 Each - Reclaimed & Domestic Water)	4	EA	\$ 1,000.00	\$ 4,000.00
71	10" Gate	-	EA	\$ 1,000.00	\$ -
72	12" Butterfly (Reclaimed Water)	3	EA	\$ 1,500.00	\$ 4,500.00
73	16" Butterfly	-	EA	\$ 1,800.00	\$ -
74	20" Butterfly	3	EA	\$ 2,000.00	\$ 6,000.00
75	24" Butterfly	-	EA	\$ 2,400.00	\$ -
76	Hot Tap	-	EA	\$ 1,000.00	\$ -
77	4" PVC Sleeves	300	LF	\$ 12.00	\$ 3,600.00
78	Concrete Cap	-	LF	\$ 300.00	\$ -
79	Adjust Water Valve to Grade	-	EA	\$ 200.00	\$ -
80	12" DIP*	-	LF	\$ 86.40	\$ -
81	14" DIP*	-	LF	\$ 90.00	\$ -
82	16" DIP*	-	LF	\$ 96.00	\$ -
83	18" DIP*	-	LF	\$ 108.00	\$ -
84	20" DIP*	-	LF	\$ 115.00	\$ -
85	24" DIP*	-	LF	\$ 120.00	\$ -
86	30" DIP*	-	LF	\$ 144.00	\$ -

EXHIBIT C
1A. SAND CREEK ROAD WEST OF PROJECT (TSM 8548)

Item Description	Quantity	Unit	Unit Price	Amount
			\$	57,590.00
<u>WATER IMPROVEMENTS (continued)</u>			\$28,795/SFR	
87 32" DIP*	-	LF	\$ 144.00	\$ -
88 36" DIP*	-	LF	\$ 172.80	\$ -
89 42" DIP*	-	LF	\$ 201.60	\$ -
90 Cathodic Protection (includes fire hydrant valves)	1	LS	\$ 17,000.00	\$ 17,000.00
91 Reclaimed Water Line (8" PVC)*	120	LF	\$ 30.00	\$ 3,600.00
92 Reclaimed Water Line (12" PVC)*	1,555	LF	\$ 45.00	\$ 69,975.00
Subtotal				\$ 277,570.00
 <u>ELECTRICAL</u>				
93 Traffic Signal 4 way / 4 phase	-	EA	\$ 120,000.00	\$ -
94 Traffic Signal 4 way / 8 phase*	-	EA	\$ 200,000.00	\$ -
95 Decorative Streetlight	-	EA	\$ 2,000.00	\$ -
96 Electrolier (Residential Collector)*	-	EA	\$ 1,500.00	\$ -
97 Electrolier (Industrial / Commercial)*	9	EA	\$ 2,000.00	\$ 17,133.33
98 Underground PMH4	-	EA	\$ 50,000.00	\$ -
99 Services (Underground) Conversion	-	EA	\$ 4,500.00	\$ -
100 Elec. Duct Bank*	-	EA	\$ 6.00	\$ -
101 Elec. Control Box*	-	EA	\$ 5,000.00	\$ -
102 Electrolier Pull Box	9	EA	\$ 85.00	\$ 728.17
Subtotal				\$ 17,861.50
 <u>MISCELLANEOUS</u>				
103 Mobilization	1	LS	\$ 10,000.00	\$ 10,000.00
104 Winterization	1	LS	\$ 10,000.00	\$ 10,000.00
105 Median Landscaping*	21,115	SF	\$ 2.00	\$ 42,230.00
106 Median Irrigation*	21,115	SF	\$ 2.00	\$ 42,230.00
Subtotal				\$ 104,460.00
SUBTOTAL CONSTRUCTION COST				\$ 938,684.10
10% CONTINGENCY				\$ 93,868
TOTAL				\$ 1,032,553
TSM 8548 DEVELOPER CONTRIBUTION				\$ 1,032,553
SUBTOTAL ASSESSMENT COST				\$ -

Notes:

* denotes blue book cost

Estimate source: CBG dated January 17, 2006

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
1B. SAND CREEK ON-SITE IMPROVEMENTS (TSM 8548)

Item Description	Quantity	Unit	Unit Price	Amount
<u>SAND CREEK ON-SITE IMPROVEMENTS (TSM 8548)</u>				
<u>GRADING</u>				
1 Clearing and Grubbing	5.8	AC	\$ 5,000.00	\$ 29,000.00
2 Rough Grading	8,000	CY	\$ 5.00	\$ 40,000.00
3 Winterization	254,100	SF	\$ 0.20	\$ 50,820.00
Subtotal				\$ 119,820.00
<u>STREET IMPROVEMENTS</u>				
4 Finish Grading (104' x 1,815')	254,100	SF	\$ 0.35	\$ 88,935.00
5 5" AC Paving	134,355	SF	\$ 2.00	\$ 268,710.00
6 22" Aggregate Base	134,355	SF	\$ 2.75	\$ 369,476.25
7 Fog Seal	134,355	SF	\$ 0.05	\$ 6,717.75
8 SubGrade Fabric	134,355	SF	\$ 0.45	\$ 60,459.75
9 Median Landscaping & Irrigation	17,570	SF	\$ 5.00	\$ 87,850.00
10 Type 'A' Curb & Gutter with Cushion & Subdrain	4,437	LF	\$ 18.00	\$ 79,866.00
11 Type 'B' Median Curb with Cushion & Subdrain	3,397	LF	\$ 18.00	\$ 61,146.00
12 8' Meandering Sidewalk with Cushion (8' x 3,500')	28,000	SF	\$ 3.50	\$ 98,000.00
13 Handicap Ramps	6	EA	\$ 1,000.00	\$ 6,000.00
14 Street Monuments	1	EA	\$ 300.00	\$ 300.00
15 Signing & Striping Budget	1,815	LS	\$ 10.00	\$ 18,150.00
Subtotal				\$ 1,145,610.75
<u>DRAINAGE IMPROVEMENTS</u>				
<i>Includes 48" Storm Drain thru Wynstone Subdivision 9096 as shown on Master Roadway Improvement Plans</i>				
16 Type A Inlet	4	EA	\$ 2,500.00	\$ 10,000.00
17 Type A Inlet w/Type I Manhole Base	7	EA	\$ 3,000.00	\$ 21,000.00
18 Type A Inlet w/Type II Manhole Base	6	EA	\$ 4,000.00	\$ 24,000.00
19 Type A Inlet w/Type III Manhole Base	1	EA	\$ 5,500.00	\$ 5,500.00
20 Type C Inlet w/Type I Manhole Base	5	EA	\$ 2,500.00	\$ 12,500.00
21 Type C Inlet w/Type II Manhole Base	2	EA	\$ 3,000.00	\$ 6,000.00
22 Type I Manhole Base	1	EA	\$ 3,000.00	\$ 3,000.00
23 Type II Manhole Base	3	EA	\$ 4,000.00	\$ 12,000.00
24 Type III Manhole Base	1	EA	\$ 5,500.00	\$ 5,500.00
25 18" RCP	1,521	LF	\$ 36.00	\$ 54,756.00
26 24" RCP	61	LF	\$ 48.00	\$ 2,928.00
27 30" RCP	256	LF	\$ 60.00	\$ 15,360.00
28 36" RCP	130	LF	\$ 72.00	\$ 9,360.00
29 42" RCP	226	LF	\$ 84.00	\$ 18,984.00
30 48" RCP	1,002	LF	\$ 96.00	\$ 96,192.00
31 54" RCP	794	LF	\$ 108.00	\$ 85,752.00
32 72" RCP	121	LF	\$ 144.00	\$ 17,424.00
Subtotal				\$ 400,256.00

**EXHIBIT C
1B. SAND CREEK ON-SITE IMPROVEMENTS (TSM 8548)**

Item Description	Quantity	Unit	Unit Price	Amount
<u>SANITARY SEWER</u>				
33 8" Sanitary Sewer	820	LF	\$ 35.00	\$ 28,700.00
34 10" Sanitary Sewer	295	LF	\$ 40.00	\$ 11,800.00
35 Manholes	6	EA	\$ 2,500.00	\$ 15,000.00
Subtotal				\$ 55,500.00
<u>WATER IMPROVEMENTS</u>				
36 8" Water (including all appurtenances)	685	LF	\$ 30.00	\$ 20,550.00
37 10" Water (including all appurtenances)	61	LF	\$ 40.00	\$ 2,440.00
38 12" Water (including all appurtenances)	882	LF	\$ 50.00	\$ 44,100.00
39 16" Water (including all appurtenances)	68	LF	\$ 65.00	\$ 4,420.00
40 20" Water (including all appurtenances)	1,060	LF	\$ 100.00	\$ 106,000.00
41 Fire Hydrants	7.0	EA	\$ 3,500.00	\$ 24,500.00
Subtotal				\$ 202,010.00
<u>NON POTABLE WATER</u>				
42 8" Non-Potable Water (including all appurtenances)	155	LF	\$ 30.00	\$ 4,650.00
43 12" Non-Potable Water (including all appurtenances)	1,800	LF	\$ 50.00	\$ 90,000.00
44 Irrigation Sleeves	415	LF	\$ 4.00	\$ 1,660.00
45 Irrigation Services	2	EA	\$ 1,500.00	\$ 3,000.00
46 Irrigation Meters	2	EA	\$ 400.00	\$ 800.00
47 Irrigation Controllers	2	EA	\$ 15,000.00	\$ 30,000.00
48 Connect to Ex 20" NPW	1	EA	\$ 2,000.00	\$ 2,000.00
Subtotal				\$ 132,110.00
<u>ELECTRICAL</u>				
49 Electrolier	9	EA	\$ 3,000.00	\$ 27,000.00
50 Fiber Optics System, Street Light Conduit & Traffic Signal Interconnect	1,815	LF	\$ 30.00	\$ 54,450.00
Subtotal				\$ 81,450.00
<u>MISCELLANEOUS</u>				
51 Traffic Signal (at Garin Parkway)	1	LS	\$ 200,000.00	\$ 200,000.00
52 Flashing Beacon Signal (at Fire Station entrance)	1	LS	\$ 40,000.00	\$ 40,000.00
53 Pedestrian Actuated Signal	1	LS	\$ 75,000.00	\$ 75,000.00
54 Parkway Landscaping & Irrigation	86,820	SF	\$ 5.00	\$ 434,100.00
55 Entry Monuments	3	EA	\$ 10,000.00	\$ 30,000.00
56 Decorative Paving	4,000	SF	\$ 8.00	\$ 32,000.00
Subtotal				\$ 811,100.00
TOTAL CONSTRUCTION COST				\$ 2,947,856.75
TSM 8548 DEVELOPER CONTRIBUTION				\$ 2,947,856.75
SUBTOTAL ASSESSMENT COST				\$ -

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE

1C. SAND CREEK ROAD FROM SOUTH SIDE OF SAND CREEK TO HWY 4 BYPASS (TSM 8506)

Item	Description	Quantity	Unit	Unit Price	Amount
<u>SAND CREEK ROAD FROM SOUTH SIDE OF SAND CREEK TO HIGHWAY 4 BYPASS</u>					
<u>GRADING</u>					
1	Fine Grading	364,000	SF	\$ 0.35	\$ 127,400
Subtotal					\$ 127,400
<u>PAVING</u>					
1	6" AC/22" AB with 6" Geotextile Fabric	158,600	SF	\$ 5.10	\$ 808,860
Subtotal					\$ 808,860
<u>CONCRETE</u>					
1	Type "A" Curb and Gutter (ST-23)	5,200	LF	\$ 12.00	\$ 62,400
2	Type "C" Median Curb (ST-23)	5,200	LF	\$ 12.00	\$ 62,400
3	5' Sidewalk	26,000	SF	\$ 4.00	\$ 104,000
4	ADA Curb Ramp	8	EA	\$ 500.00	\$ 4,000
Subtotal					\$ 232,800
<u>SANITARY SEWER</u>					
1	10" PVC Depth 10'	3,700	LF	\$ 40.00	\$ 148,000
2	10" PVC Depth 10-15'	1,500	LF	\$ 50.00	\$ 75,000
3	10" PVC Depth 15-25'	850	LF	\$ 60.00	\$ 51,000
4	24" Sewer Sleeve 10' Deep Bored & Jacked	400	LF	\$ 545.00	\$ 218,000
5	Manholes Depth 10'	9	EA	\$ 2,500.00	\$ 22,500
6	Manholes Depth 10-15'	3	EA	\$ 2,750.00	\$ 8,250
7	Manholes Depth 15-25'	3	EA	\$ 4,000.00	\$ 12,000
Subtotal					\$ 534,750
<u>DOMESTIC WATER</u>					
1	16" DIP	3,400	LF	\$ 65.00	\$ 221,000
2	Fire Hydrants	7	EA	\$ 2,500.00	\$ 17,500
Subtotal					\$ 238,500
<u>STORM DRAIN</u>					
1	Catch Basins	13	EA	\$ 2,000.00	\$ 26,000
2	24" RCP	2,000	LF	\$ 60.00	\$ 120,000
3	Manholes	5	EA	\$ 3,000.00	\$ 15,000
Subtotal					\$ 161,000
<u>STREET LIGHTS</u>					
1	Street Lights	7	EA	\$ 2,500.00	\$ 17,500
Subtotal					\$ 17,500

EXHIBIT C
1C. SAND CREEK ROAD FROM SOUTH SIDE OF SAND CREEK TO HWY 4 BYPASS (TSM 8506)

Item Description	Quantity	Unit	Unit Price	Amount
<u>LANDSCAPING</u>				
1 Landscaping	124,600	SF	\$ 3.50	\$ 436,100
2 Median Landscaping	22,275	SF	\$ 3.50	\$ 77,963
Subtotal				\$ 514,063
<u>TRAFFIC SIGNALS</u>				
1 Signal at Sand Creek Road at San Jose Avenue	1	EA	\$ 300,000.00	\$ 300,000
2 Signal Modification Sand Creek Road at SRA Bypass	1	EA	\$ 250,000.00	\$ 250,000
Subtotal				\$ 550,000
<u>UTILITIES</u>				
1 Joint Utilities	2,600	LF	\$ 75.00	\$ 195,000
Subtotal				\$ 195,000
SUBTOTAL CONSTRUCTION COST				\$ 3,379,873
15% CONTINGENCY				\$ 506,981
TOTAL				\$ 3,886,853
TSM 8506 DEVELOPER CONTRIBUTION				\$ 2,405,303
SUBTOTAL ASSESSMENT COST				\$ 1,481,550

Estimate source: Isakson & Assoc. Inc. dated March 30, 2006

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
2. GARIN PARKWAY ON-SITE IMPROVEMENTS (TSM 8548)

Item	Description	Quantity	Unit	Unit Price	Amount
<u>GARIN PARKWAY ON-SITE IMPROVEMENTS (TSM 8548)</u>					
<u>GRADING</u>					
1	Clearing and Grubbing	7.6	AC	\$ 5,000.00	\$ 38,000.00
2	Rough Grading	10,300	CY	\$ 5.00	\$ 51,500.00
3	Winterization	330,330	SF	\$ 0.20	\$ 66,066.00
Subtotal					\$ 155,566.00
<u>STREET IMPROVEMENTS</u>					
4	Finish Grading	330,330	SF	\$ 0.35	\$ 115,615.50
5	4" AC Paving	139,130	SF	\$ 1.60	\$ 222,608.00
6	14" Aggregate Base	139,130	SF	\$ 1.75	\$ 243,477.50
7	Fog Seal	139,130	SF	\$ 0.05	\$ 6,956.50
8	SubGrade Fabric	139,130	SF	\$ 0.45	\$ 62,608.50
9	Type 'A' Curb & Gutter with Cushion & Subdrain	9,150	LF	\$ 18.00	\$ 164,700.00
10	5' Sidewalk with Cushion	51,070	SF	\$ 3.50	\$ 178,745.00
11	Handicap Ramps	18	EA	\$ 1,000.00	\$ 18,000.00
12	Street Monuments	11	EA	\$ 300.00	\$ 3,300.00
13	Signing & Striping Budget	4,920	LF	\$ 10.00	\$ 49,200.00
14	Street Barricade	7	EA	\$ 1,000.00	\$ 7,000.00
Subtotal					\$ 1,072,211.00
<u>DRAINAGE IMPROVEMENTS</u>					
15	Type A Inlet	10	EA	\$ 2,500.00	\$ 25,000.00
16	Type A Inlet w/Type I Manhole Base	15	EA	\$ 3,000.00	\$ 45,000.00
17	Type A Inlet w/Type II Manhole Base	3	EA	\$ 4,000.00	\$ 12,000.00
18	Type A Inlet w/Type III Manhole Base	10	EA	\$ 5,500.00	\$ 55,000.00
19	Type C Inlet	1	EA	\$ 2,000.00	\$ 2,000.00
20	Type C Inlet w/Type I Manhole Base	2	EA	\$ 2,500.00	\$ 5,000.00
21	Type I Manhole Base	1	EA	\$ 3,000.00	\$ 3,000.00
22	Type II Manhole Base	1	EA	\$ 4,000.00	\$ 4,000.00
23	18" RCP	754	LF	\$ 36.00	\$ 27,144.00
24	24" RCP	917	LF	\$ 48.00	\$ 44,016.00
25	30" RCP	566	LF	\$ 60.00	\$ 33,960.00
26	42" RCP	1,065	LF	\$ 84.00	\$ 89,460.00
27	72" RCP	1,965	LF	\$ 144.00	\$ 282,960.00
Subtotal					\$ 628,540.00

EXHIBIT C
2. GARIN PARKWAY ON-SITE IMPROVEMENTS (TSM 8548)

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Amount</u>
<u>SANITARY SEWER</u>					
28	Manholes	4	EA	\$ 2,500.00	\$ 10,000.00
29	10" Sanitary Sewer	590	LF	\$ 40.00	\$ 23,600.00
30	15" Sanitary Sewer	70	LF	\$ 50.00	\$ 3,500.00
31	Storm Drain Crossing Structure	1	EA	\$ 10,000.00	\$ 10,000.00
Subtotal					\$ 47,100.00
<u>WATER IMPROVEMENTS</u>					
32	8" Water (including all appurtenances)	1,382	LF	\$ 30.00	\$ 41,460.00
33	16" Water (including all appurtenances)	2,754	LF	\$ 65.00	\$ 179,010.00
34	20" Water (including all appurtenances)	989	LF	\$ 100.00	\$ 98,900.00
35	Fire Hydrants	13	EA	\$ 3,500.00	\$ 45,500.00
36	Water Service (Lot 114 and Park Parcel A)	2	EA	\$ 800.00	\$ 1,600.00
37	Water Meter	2	EA	\$ 250.00	\$ 500.00
38	Connect to Existing 20" Water at Jennifer Street	1	EA	\$ 2,000.00	\$ 2,000.00
Subtotal					\$ 368,970.00
<u>NON POTABLE WATER</u>					
39	8" Non-Potable Water (including all appurtenances)	1,232	LF	\$ 30.00	\$ 36,960.00
40	Irrigation Sleeves	1	EA	\$ 1,500.00	\$ 1,500.00
41	Irrigation Services	1	EA	\$ 400.00	\$ 400.00
42	Irrigation Meters	720	LF	\$ 4.00	\$ 2,880.00
43	Connect to Ex 20" NPW	1	EA	\$ 2,000.00	\$ 2,000.00
Subtotal					\$ 43,740.00
<u>ELECTRICAL</u>					
44	Electroliner	35	EA	\$ 3,500.00	\$ 122,500.00
45	Fiber Optics System, Street Light Conduit & Traffic Signal Interconnect	4,920	LF	\$ 30.00	\$ 147,600.00
Subtotal					\$ 270,100.00
<u>MISCELLANEOUS</u>					
46	Parkway Landscaping & Irrigation	140,130	SF	\$ 5.00	\$ 700,650.00
47	Decorative Paving	3,000	SF	\$ 8.00	\$ 24,000.00
Subtotal					\$ 724,650.00
TOTAL CONSTRUCTION COST					\$ 3,310,877.00
TSM 8548 DEVELOPER CONTRIBUTION					\$ 1,222,127
SUBTOTAL ASSESSMENT COST					\$ 2,088,750

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
3. SUNSET ROAD (TSM 8548)

Item Description	Quantity	Unit	Unit Price	Amount
<u>SUNSET ROAD</u>				
<u>STREET IMPROVEMENTS</u>				
1 Sawcut 1' Existing AC Pavement	2,400	LF	\$ 1.00	\$ 2,400.00
2 5" AC Paving	26,110	SF	\$ 1.25	\$ 32,637.50
3 18.5" Aggregate Base	29,710	SF	\$ 1.48	\$ 43,970.80
4 2" AC Overlay	33,434	SF	\$ 0.88	\$ 29,421.92
5 Pavement Sealant (Fog)	2,400	SF	\$ 0.05	\$ 120.00
6 Valley Gutter	-	SF	\$ 3.00	\$ -
7 Median Curb*	-	LF	\$ 12.00	\$ -
8 5' Sidewalk*	-	SF	\$ 2.85	\$ -
9 Curb & Median Subsurface Drains (ST-24)	2,310	LF	\$ 8.00	\$ 18,480.00
10 Under Sidewalk Drain (Sched. 40 PVC)	-	EA	\$ 20.00	\$ -
11 AC Berm	-	LF	\$ 5.00	\$ -
12 Handicap Ramp* (@ Relocated Park Entrance)	2	EA	\$ 100.00	\$ 200.00
13 Driveway Approach	-	SF	\$ 3.00	\$ -
14 Driveway Approach (Commercial)	-	SF	\$ 4.00	\$ -
15 Striping*	4,350	LF	\$ 1.00	\$ 4,350.00
16 Joint Trench with Fiber Optic	-	LF	\$ 25.00	\$ -
17 Barricade (Metal: ST 12)	-	LF	\$ 35.00	\$ -
18 Street Trees	-	EA	\$ 90.00	\$ -
19 Signs*	0.3	MILE	\$ 8,100.00	\$ 2,224.43
20 Curb & Gutter*	2,310	LF	\$ 12.00	\$ 27,720.00
21 Survey Monuments	1	EA	\$ 300.00	\$ 300.00
22 Lot Corners	-	EA	\$ 160.00	\$ -
23 Geofabric*	26,110	SF	\$ 0.20	\$ 5,222.00
24 At-Grade RR Crossing*	-	EA	\$ 175,000.00	\$ -
25 Retaining Wall	-	SF	\$ 15.00	\$ -
26 Chain Link Fence	-	LF	\$ 12.50	\$ -
27 Thermoplastic Pavement Markings	500	SF	\$ 0.50	\$ 250.00
28 Canal Removal	-	LF	\$ 100.00	\$ -
29 2" x 6" Redwood Header	500	LF	\$ 6.00	\$ 3,000.00
30 AC Berm Removal	-	LF	\$ 3.00	\$ -
31 AC Removal*	1,980	LF	\$ 1.50	\$ 2,970.00
32 Sidewalk Removal	-	SF	\$ 1.00	\$ -
33 Curb & Gutter Removal	-	LF	\$ 3.00	\$ -
34 AC Dike	280	SF	\$ 6.00	\$ 1,680.00
Subtotal				\$ 174,946.65
<u>DRAINAGE IMPROVEMENTS</u>				
35 18" RCP	265	LF	\$ 45.00	\$ 11,925.00
36 Type A & C Inlets	2	EA	\$ 1,400.00	\$ 2,800.00
37 Type B, D & E Inlets	-	EA	\$ 1,800.00	\$ -
38 SD Manhole Type I	-	EA	\$ 1,600.00	\$ -
39 SD Manhole Type II	-	EA	\$ 2,600.00	\$ -
40 SD Manhole Type III	-	EA	\$ 4,000.00	\$ -
41 Christy V9 Drain Box	-	EA	\$ 200.00	\$ -
42 B-58 Concrete Ditch	-	LF	\$ 25.00	\$ -

EXHIBIT C
3. SUNSET ROAD (TSM 8548)

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Amount</u>
<u>DRAINAGE IMPROVEMENTS (continued)</u>					
43	Concrete Structure	-	CY	\$ 450.00	\$ -
44	Adjust MH to Grade	-	EA	\$ 400.00	\$ -
45	Connect to Existing Storm Drain	1	EA	\$ 2,000.00	\$ 2,000.00
46	Rip Rap	-	CY	\$ 60.00	\$ -
47	Grouted Rip Rap	-	CY	\$ 80.00	\$ -
48	Earth Ditch	-	LF	\$ 12.00	\$ -
Subtotal					\$ 16,725.00
<u>WATER IMPROVEMENTS</u>					
49	Fire Hydrant	2	EA	\$ 2,500.00	\$ 5,000.00
50	Connect to Existing Water	2	EA	\$ 1,000.00	\$ 2,000.00
51	4" PVC Sleeves	-	LF	\$ 12.00	\$ -
52	Adjust Water Valve to Grade	-	EA	\$ 200.00	\$ -
53	Cathodic Protection (includes fire hydrant valves)	1	LS	\$ 5,000.00	\$ 5,000.00
Subtotal					\$ 12,000.00
<u>ELECTRICAL</u>					
54	Traffic Signal 4 way / 4 phase	-	EA	\$ 120,000.00	\$ -
55	Traffic Signal 4 way / 8 phase*	1	EA	\$ 200,000.00	\$ 200,000.00
56	Decorative Streetlight	-	EA	\$ 2,000.00	\$ -
57	Electrolier (<i>Residential Collector</i>)*	-	EA	\$ 1,500.00	\$ -
58	Electrolier (<i>Industrial / Commercial</i>)*	10	EA	\$ 2,000.00	\$ 19,333.33
59	Underground PMH4	-	EA	\$ 50,000.00	\$ -
60	Services (Underground) Conversion	-	EA	\$ 4,500.00	\$ -
61	Elec. Duct Bank*	-	EA	\$ 6.00	\$ -
62	Elec. Control Box*	-	EA	\$ 5,000.00	\$ -
63	Electrolier Pull Box	10	EA	\$ 85.00	\$ 821.67
Subtotal					\$ 220,155.00
<u>MISCELLANEOUS</u>					
64	Mobilization	1	LS	\$ 10,000.00	\$ 10,000.00
65	Winterization	1	LS	\$ 10,000.00	\$ 10,000.00
66	Adjust Existing Sewer Manhole to Grade	3	EA	\$ 1,000.00	\$ 3,000.00
67	Relocated Existing Streetlight	1	EA	\$ 5,000.00	\$ 5,000.00
Subtotal					\$ 28,000.00
SUBTOTAL CONSTRUCTION COST					\$ 451,826.65
10% CONTINGENCY					\$ 45,183
TOTAL					\$ 497,009
TSM 8548 DEVELOPER CONTRIBUTION					\$ 497,009
SUBTOTAL ASSESSMENT COST					\$ -

*Notes: * denotes blue book cost*

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
4. LONE TREE WAY - OFF-SITE IMPROVEMENTS (TSM 9050)

Item	Description	Quantity	Unit	Price	Amount
<u>STREET IMPROVEMENTS</u>					
	Lone Tree Way - O'Hara Avenue to Tilton Lane	1,575	LF	\$ 631.21	\$ 994,150
	SUB TOTAL LONE TREE WAY				\$ 994,150
	TSM 9050 DEVELOPER CONTRIBUTION				\$ 497,075
SUBTOTAL ASSESSMENT COST					\$ 497,075

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
5. SAN JOSE AVENUE (TSM 8506)

Item	Description	Quantity	Unit	Unit Price	Amount
<u>SAN JOSE AVENUE</u>					
<u>GRADING</u>					
1	Fine Grading	121,000	SF	\$ 0.35	\$ 42,350
Subtotal					\$ 42,350
<u>PAVING</u>					
1	4" AC/14" AB with Geotextile Fabric	72,475	SF	\$ 4.00	\$ 289,900
Subtotal					\$ 289,900
<u>CONCRETE</u>					
1	Type "A" Curb and Gutter (ST-23)	3,800	LF	\$ 12.00	\$ 45,600
2	Type "C" Median Curb (ST-23)	700	LF	\$ 12.00	\$ 8,400
3	4.5' Sidewalk	17,100	SF	\$ 4.00	\$ 68,400
4	ADA Curb Ramp	10	EA	\$ 500.00	\$ 5,000
Subtotal					\$ 127,400
<u>SANITARY SEWER</u>					
1	8" PVC	100	LF	\$ 40.00	\$ 4,000
2	Manhole	1	EA	\$ 2,500.00	\$ 2,500
Subtotal					\$ 6,500
<u>DOMESTIC WATER</u>					
1	12" PVC	1,900	LF	\$ 50.00	\$ 95,000
2	Fire Hydrants	5	EA	\$ 3,000.00	\$ 15,000
Subtotal					\$ 110,000
<u>STORM DRAIN</u>					
1	Catch Basins	6	EA	\$ 2,000.00	\$ 12,000
2	24" RCP	1,000	LF	\$ 60.00	\$ 60,000
Subtotal					\$ 72,000
<u>STREET LIGHTS</u>					
1	Street Lights	10	EA	\$ 2,500.00	\$ 25,000
Subtotal					\$ 25,000

EXHIBIT C
5. SAN JOSE AVENUE (TSM 8506)

<u>Item Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Amount</u>
<u>UTILITIES</u>				
1 Joint Utilities	1,800	LF	\$ 60.00	\$ 108,000
Subtotal				\$ 108,000
<u>LANDSCAPING</u>				
1 Landscaping	33,000	EA	\$ 3.50	\$ 115,500
2 Median Landscaping	1,000	EA	\$ 3.50	\$ 3,500
Subtotal				\$ 119,000
SUBTOTAL CONSTRUCTION COST				\$ 900,150
15% CONTINGENCY				\$ 135,023
TOTAL				\$ 1,035,173
TSM 8506 DEVELOPER CONTRIBUTION				\$ 1,035,173
SUBTOTAL ASSESSMENT COST				\$ -

Estimate source: Isakson & Assoc. Inc. dated March 30, 2006

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
6. O'HARA AVENUE - ROADWAYS (MS 359-03)

Item Description	Quantity	Unit	Unit Price	Amount
<u>O'HARA AVENUE</u>				
<u>GRADING</u>				
1 Clear & Grubbing	0.35	AC	\$ 1,000.00	\$ 350
Earthwork	870	CY	\$ 3.20	\$ 2,784
Subtotal				\$ 3,134
<u>PAVING</u>				
1 Pavement	1,056	SY	\$ 37.26	\$ 39,347
Pavement Overlay	1,000	SY	\$ 8.00	\$ 8,000
Subtotal				\$ 47,347
<u>CONCRETE</u>				
1 Sidewalk	5,000	SF	\$ 3.50	\$ 17,500
2 4" Class 2 AB under sidewalk	5,000	SF	\$ 0.35	\$ 1,750
3 Curb & Gutter	1,000	LF	\$ 24.00	\$ 24,000
4 Handicap Ramps	4	EA	\$ 848.00	\$ 3,392
Subtotal				\$ 46,642
<u>SIGNAGE & STRIPING</u>				
1 Manhole	0.1	MILE	\$ 5,000.00	\$ 500
2 Striping	1,500	LF	\$ 5.00	\$ 7,500
Subtotal				\$ 8,000
<u>STORM DRAIN</u>				
1 RCP	700	LF	\$ 45.00	\$ 31,500
2 Inlet	5	EA	\$ 1,500.00	\$ 7,500
Subtotal				\$ 39,000
<u>STREET LIGHTS</u>				
1 Street Lights	2	EA	\$ 2,000.00	\$ 4,000
Subtotal				\$ 4,000

EXHIBIT C
6. O'HARA AVENUE - ROADWAYS (MS 359-03)

Item Description	Quantity	Unit	Unit Price	Amount
<u>LANDSCAPING</u>				
1 Landscaping	5,000	SF	\$ 2.50	\$ 12,500
2 Irrigation	5,000	SF	\$ 2.50	\$ 12,500
3 Geofabric	0.2	SF	\$ 9,300.00	\$ 1,860
Subtotal				\$ 26,860
SUBTOTAL CONSTRUCTION COST FOR 500 LINEAL FEET				\$ 174,983
COST PER FOOT				\$ 350
PROJECT FRONTAGE OBLIGATION - 141 LF				
TOTAL				\$ 49,350
TSM MS 359-03 DEVELOPER CONTRIBUTION				\$ -
SUBTOTAL ASSESSMENT COST				\$ 49,350

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
11. PREPAID ROADWAY FEES

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<u>PREPAID ROADWAY FEES</u>		
1	TSM 8548	\$ 946,000
2	TSM 8311	\$ 816,000
SUBTOTAL ASSESSMENT \$		1,762,000

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
12. PREPAID WATER FEES

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<u>PREPAID WATER FEES</u>		
1	TSM 8548	\$ 2,270,400
2	TSM 9050	\$ 295,000
3	TSM 8506	\$ 747,000
4	1701 Lone Oak Road, APN 016-100-020	\$ 6,654
5	1920 Lone Oak Road, APN 016-030-004	\$ 6,654

SUBTOTAL ASSESSMENT \$ 3,325,708

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
13. PREPAID WASTEWATER FEES

Item	Description	Amount
PREPAID WASTEWATER FEES		
1	TSM 8506	\$ 498,000
2	TSM 8311	\$ 357,000
3	1701 Lone Oak Road, APN 016-100-020	\$ 3,973
4	1920 Lone Oak Road, APN 016-030-004	\$ 3,973
5	2151 Fairview Ave., APN 019-060-035	\$ 3,973
SUBTOTAL ASSESSMENT \$		866,919

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
14. PREPAID PARK AND TRAILS FACILITIES FEE

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<u>PREPAID PARK AND TRAILS FACILITIES FEE</u>		
1	TSM 9050	\$ 177,000
2	TSM 8311	\$ 255,000
SUBTOTAL ASSESSMENT \$		432,000

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
15. PREPAID STATE RT 4 BYPASS FEE

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<u>PREPAID STATE RT 4 BYPASS FEE</u>		
1	TSM 8548	\$ 2,365,000
2	TSM 9050	\$ 295,000
3	TSM 8506	\$ 830,000
4	TSM 8311	\$ 757,350
SUBTOTAL ASSESSMENT \$		4,247,350

EXHIBIT C
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
SUMMARY

Item	Description	Amount
<i>Item Number corresponds to CIFP Table (see following page). Please refer to this table for further information.</i>		
1A	Sand Creek Road (TSM 8548)	\$ -
1B	Sand Creek Road (TSM 8548)	\$ -
1C	Sand Creek Road (TSM 8506)	\$ 1,481,550
2	Garin Parkway (TSM 8548)	\$ 2,088,750
3A	Sunset Road (TSM 8548)	\$ -
3B	Sunset Road (TSM 8548)	\$ -
4	Lone Tree Way (TSM 8954)	\$ 497,075
5	San Jose Avenue (TSM 8506)	\$ -
6	O'Hara Avenue (MS 359-03)	\$ 49,350
7	<i>(Intentionally left blank)</i>	
9	<i>Subtotal (1 through 7)</i>	\$ 4,116,725
11	Prepaid Roadway Fee	\$ 1,762,000
12	Prepaid Water Fee	\$ 3,325,708
13	Prepaid Wastewater Fee	\$ 866,919
14	Prepaid Parks and Trails Fee	\$ 432,000
15	Prepaid State Route 4 Bypass Fee	\$ 4,247,350
16	<i>Subtotal (11 through 15)</i>	\$ 10,633,977
	<i>Contingency</i>	\$ -
17	Total Cost (9 + 16)	\$ 14,750,702
19	Bond Counsel	\$ 189,286
20	Disclosure Counsel	\$ 69,740
21	Bond Printing	\$ 34,415
22	Registrar and Paying Agent	\$ 17,209
23	Appraisals	\$ 34,415
24	Bond Discount	\$ 344,158
25	Bond Reserve Fund	\$ 1,462,665
26	City Administration & Assessment Eng.	\$ 309,742
27	<i>Subtotal Bond Issuance Costs (19 through 26)</i>	\$ 2,461,630
28	Total Assessment (17 + 27)	\$ 17,212,332

		Single Family Residential Projects										TOTAL	
ACQUISITION ITEMS,		SUBD 8548	SUBD 8548	SUBD 8548	SUBD 9050	SUBD. 8506	SUBD 8311	MS 359-03	1701 Lone Oak Road	1920 Lone Oak Road	2151 Fairview Ave	Dwelling Units:	
PREPAY FEES AND BOND ISSUANCE COSTS		Standard Pacific Homes small lots 191 Units	Standard Pacific Homes medium lots 193 Units	Standard Pacific Homes large lots 89 Units	Passport Homes 59 Units	West Coast Home Builders 166 Units	Pulte Homes 102 Units	Valle 2 Units	APN 016-100-020 Albright	APN 016-030-004 Hancock	APN 019-060-035 Clenner	805	SFR
ACQUISITION ITEMS													
1	Sand Creek Road	\$0	\$0	\$0	\$0	\$1,481,550	\$0	\$0	\$0	\$0	\$0	\$1,481,550	
2	Gann Parkway	\$201,505	\$1,030,620	\$856,625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,088,750	
3	Sunset Road	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4	Lone Tree Way	\$0	\$0	\$0	\$497,075	\$0	\$0	\$0	\$0	\$0	\$0	\$497,075	
5	San Jose Avenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6	O'Hara Ave.	\$0	\$0	\$0	\$0	\$0	\$0	\$49,350	\$0	\$0	\$0	\$49,350	
7												\$0	
8												\$0	
9	SUBTOTAL (1-7)	\$201,505	\$1,030,620	\$856,625	\$497,075	\$1,481,550	\$0	\$49,350	\$0	\$0	\$0	\$4,116,725	
10	PREPAY FEES												
11	Prepay Roadway Fee	\$382,000	\$386,000	\$178,000	\$0	\$0	\$816,000	\$0	\$0	\$0	\$0	\$1,762,000	
12	Prepay Water Facilities Fee	\$916,800	\$926,400	\$427,200	\$295,000	\$747,000	\$0	\$0	\$6,654	\$6,654	\$0	\$3,325,708	
13	Prepay Wastewater Facilities Fee	\$0	\$0	\$0	\$0	\$498,000	\$357,000	\$0	\$3,973	\$3,973	\$3,973	\$866,919	
14	Prepay Parks & Trails Fee	\$0	\$0	\$0	\$177,000	\$0	\$255,000	\$0	\$0	\$0	\$0	\$432,000	
15	Prepay State Rt 4 Bypass Fee	\$955,000	\$965,000	\$445,000	\$295,000	\$830,000	\$757,350	\$0	\$0	\$0	\$0	\$4,247,350	
16	SUBTOTAL (11 through 15)	\$2,253,800	\$2,277,400	\$1,050,200	\$767,000	\$2,075,000	\$2,185,350	\$0	\$10,627	\$10,627	\$3,973	\$10,633,977	
17	TOTAL COST (9 + 16)	\$2,455,305	\$3,308,020	\$1,906,825	\$1,264,075	\$3,556,550	\$2,185,350	\$49,350	\$10,627	\$10,627	\$3,973	\$14,750,702	
18	BOND ISSUANCE COSTS												
19	Bond Counsel 1.1%	\$31,515	\$42,460	\$24,475	\$16,225	\$46,650	\$28,050	\$634	\$117	\$117	\$44	\$189,286	
20	Disclosure Counsel .4%	\$11,460	\$15,440	\$8,900	\$5,900	\$16,600	\$10,200	\$231	\$425	\$425	\$159	\$69,740	
21	Bond Printing .2%	\$5,730	\$7,720	\$4,450	\$2,950	\$6,300	\$5,100	\$115	\$21	\$21	\$8	\$34,415	
22	Registrar and Paying Agent .1%	\$2,865	\$3,860	\$2,225	\$1,475	\$4,150	\$2,550	\$58	\$11	\$11	\$4	\$17,209	
23	Appraisals .2%	\$5,730	\$7,720	\$4,450	\$2,950	\$8,300	\$5,100	\$115	\$21	\$21	\$8	\$34,415	
24	Bond Discount 2.0%	\$57,300	\$77,200	\$44,500	\$29,500	\$83,000	\$51,000	\$1,153	\$213	\$213	\$79	\$344,158	
25	Bond Reserve Fund 8.5%	\$243,525	\$328,100	\$189,125	\$125,375	\$352,750	\$216,750	\$4,896	\$903	\$903	\$338	\$1,462,665	
26	City Administration & Assessment Eng. 1.8%	\$51,570	\$69,480	\$40,050	\$26,550	\$74,700	\$45,900	\$1,038	\$191	\$191	\$72	\$309,742	
27	Subtotal Bond Issuance Costs (19 to 26) Assume 14.3%	\$409,695	\$551,980	\$318,175	\$210,925	\$593,450	\$364,650	\$8,240	\$1,902	\$1,902	\$711	\$2,461,630	
28	Total Assessment (17+27)	\$2,865,000	\$3,860,000	\$2,225,000	\$1,475,000	\$4,150,000	\$2,550,000	\$57,590	\$12,529	\$12,529	\$4,684	\$17,212,332	
29	Assessment Per Unit	\$15,000	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000	\$28,795	\$12,529	\$12,529	\$4,684		
	TARGET	\$15,000	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000	\$28,795	\$12,529	\$12,529	\$4,684		
	BOND COST CHECK	\$409,695	\$551,980	\$318,175	\$210,925	\$593,450	\$364,650	\$8,240	\$1,902	\$1,902	\$711		
	IMPROVEMENTS COST CHECK	\$2,455,305	\$3,308,020	\$1,906,825	\$1,264,075	\$3,556,550	\$2,185,350	\$49,350	\$10,627	\$10,627	\$3,973		
	NUMBER OF UNITS PROPOSED	191	193	89	59	166	102	2	1	1	1		

EXHIBIT D
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ASSESSMENT ROLL

<i>Assessment Number</i>	<i>Assessor's Parcel Number</i>	<i>Owner</i>	<i>Owner Assessment</i>	<i>Owner Assessment</i>	
<u><i>Standard Pacific Homes</i></u>					
1	016-190-008	Barrington Estates, LLC	89	SFR Units at \$25,000/SFR (See Exhibit E.a.)	\$2,225,000
		(and)	193	SFR Units at \$20,000/SFR (See Exhibit E.a.)	\$3,860,000
		(and)	191	SFR Units at \$15,000/SFR (See Exhibit E.a.)	\$2,865,000
<u><i>Passport Homes Tentative Subdivision Map 9050</i></u>					
10	018-100-030	Leroy F. Dutra 1966 Gaiole Ct Brentwood CA 94513	9	SFR Units at \$25,000/SFR (See Exhibit E.b.)	\$225,000
11	018-100-029	Leroy F. Dutra 1966 Gaiole Ct Brentwood CA 94513	7	SFR Units at \$25,000/SFR (See Exhibit E.b.)	\$175,000
12	018-110-004	Eugene E. Mangini 24 Mangini Dr Pleasant Hill CA 94523	16	SFR Units at \$25,000/SFR (See Exhibit E.b.)	\$400,000
13	018-110-008	Maffeo Properties, a California General Partnership 2983 Hannan Dr Pleasant Hill CA 94523	27	SFR Units at \$25,000/SFR (See Exhibit E.b.)	\$675,000
<u><i>West Coast Home Builders Tentative Subdivision Map 8506</i></u>					
14	019-082-005	West Coast Home Builders, Inc 4021 Port Chicago Hwy Concord CA 94520	166	SFR Units at \$25,000/SFR (See Exhibit E.c.)	\$4,150,000
<u><i>Pulte Homes Tentative Subdivision Map 8311</i></u>					
16	017-080-006	Pulte Home Corporation 6210 Stoneridge Mall Road, 5th Floor Pleasanton, CA 94588	102	SFR Units at \$25,000/SFR (See Exhibit E.d.)	\$2,550,000

**EXHIBIT D
ASSESSMENT ROLL**

<i>Assessment Number</i>	<i>Assessor's Parcel Number</i>	<i>Owner</i>	<i>Owner Assessment</i>	<i>Owner Assessment</i>	
<i>Valle Minor Subdivision MS 359-03</i>					
18	018-060-063	Eduardo Valle 2716 O'Hara Ave Brentwood CA 94513	2	SFR Units at \$28,795/SFR (See Exhibit E.f.)	\$57,590
<i>"Individual Landowners" (Ownership and Title verified by the City of Brentwood.)</i>					
19	016-100-020	Madeline M. Albright, TRE 1701 Lone Oak Rd Brentwood CA 94513	1	SFR Unit at \$12,529/SFR	\$12,529
20	019-060-035	Robert L. & Sally A. Clenner Rt 2 Box 254Z Brentwood CA 94513	1	SFR Unit at \$4,684/SFR	\$4,684
21	016-030-004	Leland D. & Leslie J. Hancock 2580 Caddie Ct Brentwood CA 94513	1	SFR Unit at \$12,529/SFR	\$12,529

EXHIBIT E
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

METHOD OF ASSESSMENT

1 SAND CREEK ROAD

The cost associated with the Sand Creek Road Offsite West of TSM 8548 improvement is assigned to the development based on the special benefit conferred. Fifty percent (50%) of the total cost is considered special benefit based on the satisfaction of the condition of development to construct the improvements. The remaining 50% is considered either special benefit conferred to another property or the general benefit portion of the improvement and is paid for through a developer contribution. Cost to assessment is shown on Exhibit C1A.

The cost associated with the Sand Creek Road In-Tract TSM 8548 improvements is assigned to the development based on the special benefit conferred. Fifty percent (50%) of the total cost is considered special benefit based on the satisfaction of the condition of development to construct the improvements. An additional 25% is conferred as a direct special benefit to the development for the adjacent improvements. The remaining 25% is considered the general benefit portion for through traffic and is paid for through a developer contribution. Cost to assessment are shown on Exhibit C1B.

The cost associated with the Sand Creek Road In-Tract TSM 8506 improvements is assigned to the development based on the special benefit conferred. Fifty percent (50%) of the total cost is considered special benefit based on the satisfaction of the condition of development to construct the improvements. An additional 25% is conferred as a direct special benefit to the development for the adjacent improvements. The remaining 25% is considered the general benefit portion for through traffic and is paid for through a developer contribution. The total 75% special benefit to the development is apportioned to the residential and commercial sites based on the area of each site. Approximately 55% of the developable area is on the residential side of the development, therefore 41% is assessed to the residential, with the remaining 34% going to the commercial. The commercial site will not be assessed, as this will be paid for through a developer contribution. Cost to assessment are shown on Exhibit C1C.

2 GARIN PARKWAY

The cost associated with the Garin Parkway In-Tract TSM 8548 improvements is assigned to the development based on the special benefit conferred. Fifty percent (50%) of the total cost is considered special benefit based on the satisfaction of the condition of development to construct the improvements. An additional 25% is conferred as a direct special benefit to the development for the adjacent improvements. The remaining 25% is considered the general benefit portion for through traffic and is paid for through a developer contribution. Cost to assessment are shown on Exhibit C2.

3 SUNSET ROAD

The cost associated with the Sunset Road Frontage TSM 8548 improvement is assigned to the development based on the special benefit conferred. Fifty percent (50%) of the total cost is considered special benefit based on the satisfaction of the condition of development to construct the improvements. The remaining 50% is considered special benefit conferred to the development for the widening of the roadway. Cost to assessment is shown on Exhibit C3A.

EXHIBIT E
METHOD OF ASSESSMENT

3 SUNSET ROAD (continued)

The cost associated with the Sunset road Offsite TSM 8548 improvement is assigned to the development based on the special benefit conferred. Fifty percent (50%) of the total cost is considered special benefit based on the satisfaction of the condition of development to construct the improvements. The remaining 50% is considered special benefit conferred to the adjacent properties, which will be paid for through a developer contribution. Cost to assessment is shown on Exhibit C3B.

4 LONE TREE WAY

The cost associated with the Lone Tree Way Offsite TSM 9050 improvement is assigned to the development based on the special benefit conferred. Fifty percent (50%) of the total cost is considered special benefit based on the satisfaction of the condition of development to construct the improvements. The remaining 50% is considered special benefit conferred to the adjacent properties, which will be paid for through a developer contribution. Cost to assessment is shown on Exhibit C4.

5 SAN JOSE AVENUE

The cost associated with the San Jose Avenue TSM 8506 improvements is assigned to the development based on the special benefit conferred. Fifty percent (50%) of the total cost is considered special benefit based on the satisfaction of the condition of development to construct the improvements. An additional 25% is conferred as a direct special benefit to the development for the adjacent improvements, excepting that portion adjacent to the future Affordable Housing Site (APN 019-110-051), which would be funded through a developer contribution. The remaining 25% is considered the general benefit portion for through traffic and is paid for through a developer contribution. The total cost attributable to special benefit exceeds the amount of funding available, therefore the balance is paid for through a developer contribution. Cost to assessment are shown on Exhibit C5.

6 O'HARA AVENUE

The cost associated with the O'Hara Avenue frontage improvements for MS 359-03 is considered special benefit based on the satisfaction of the condition of development to construct the improvements. This item represents the property owners financial responsibility for frontage improvements to be constructed by others through City reimbursement. Cost to assessment are shown on Exhibit C6.

EXHIBIT E
METHOD OF ASSESSMENT

- 11 Prepayment of Roadway Fees:**
Prepayment of City roadway facilities fees.
a) \$2,000.00 /lot Standard Pacific Homes (Small, Medium and Large Lots) TSM 8548.
b) \$8,000.00 /lot Pulte Homes TSM 8311.
- 12 Prepayment of Water Facilities Fees:**
Prepayment of City water facilities fees.
a) \$ 4,800.00 /lot Standard Pacific Homes (Small, Medium and Large Lots) TSM 8548.
b) \$ 5,000.00 /lot Passport Homes TSM 9050.
c) \$ 4,500.00 /lot West Coast Home Builders TSM 8506.
d) \$ 6,654.00 /lot, Albright APN 016-100-020
e) \$ 6,654.00 /lot, Hancock APN 016-030-004
- 13 Prepayment of Wastewater Facilities Fees:**
Prepayment of City wastewater facilities fees.
a) \$ 3,000.00 /lot West Coast Home Builders TSM 8506.
b) \$ 1,000.00 /lot Pulte Homes TSM 8311.
c) \$ 3,973.00 /lot, Albright APN 016-100-020
d) \$ 3,973.00 /lot, Clenner APN 019-060-035
e) \$ 3,973.00 /lot, Hancock APN 016-030-004
- 14 Prepayment of Parks & Trails Fees:**
Prepayment of City parks and trails facilities fees.
a) \$ 2,500.00 /lot Passport Homes TSM 9050.
b) \$6,000.00 /lot Pulte Homes TSM 8311.
- 15 Prepayment of State Route 4 Bypass Fees:**
Prepayment of State Route 4 Bypass Fees.
a) \$ 5,000.00 /lot Standard Pacific Homes (Small, Medium and Large Lots) TSM 8548.
c) \$ 5,000.00 /lot Passport Homes TSM 9050.
d) \$ 5,000.00 /lot West Coast Home Builders TSM 8506.
f) \$ 7,425.00 /lot Pulte Homes TSM 8311.

EXHIBIT E
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

METHOD OF ASSESSMENT

Notes:

a. The following assessments will be re-segregated to the number of proposed lots at a rate of \$15,000 per small lot (the "Wynstone" and "Penrose" neighborhoods), a rate of \$20,000 per medium lot (the "Hawthorne" and "Berkshire" neighborhoods) and \$25,000 per large lot (the "Marquette" neighborhood), at the time the Final Map(s) is recorded for Standard Pacific Homes Subdivision 8548. The proposed park parcels, school site and fire station are required as part of the residential development and are considered ancillary to the development, therefore they are not subject to assessment by these proceedings and do not receive any benefit from the proposed improvements and fees. 21 lots in Assessment No. 1 will be Affordable Units dedicated to the City as required by the Project's Affordable Housing Agreement. The Developer will pay these unit's proportional share of fees and improvements in cash prior to Final Map approval and execution of an Affordable Housing Agreement. 14 units are located in the "Wynstone" and "Penrose" neighborhoods, 6 units are located in the "Hawthorne" and "Berkshire" neighborhoods, and 1 unit is located in the "Marquette" neighborhood.

Proposed Parcel Assessment				
Number	Proposed Parcel Assessment	Current APN	No. of Proposed Lots	Proposed Re-segregated Lien per Lot
1	\$2,865,000	016-190-008	191	\$ 15,000
same as above	\$3,860,000	same as above	193	\$ 20,000
same as above	\$2,225,000	same as above	89	\$ 25,000

b.. The following assessments will be re-segregated to the number of proposed market rate lots at a rate of \$25,000 per lot, at the time the Final Map(s) is recorded for Passport Homes Subdivision 9050. The proposed park parcel and the existing home on the remainder parcel within the subdivision are not subject to assessment by these proceedings and do not receive any benefit from the proposed fees.

Proposed Parcel Assessment				
Number	Proposed Parcel Assessment	Current APN	No. of Proposed Lots	Proposed Re-segregated Lien per Lot
10	\$225,000	018-100-030	9	\$ 25,000
11	\$175,000	018-100-029	7	\$ 25,000
12	\$400,000	018-110-004	16	\$ 25,000
13	\$675,000	018-110-008	27	\$ 25,000

c. The following assessments will be re-segregated to the number of proposed lots at a rate of \$25,000 per lot, at the time the Final Map(s) is recorded for West Coast Home Builders Subdivision 8506. The proposed park parcels are required as part of the residential development and are considered ancillary to the development, therefore they are not subject to assessment by these proceedings and do not receive any benefit from the proposed improvement and fees. In addition, the Commercial Site located on the north side of Sand Creek Road within the boundary of TSM 8506 is not subject to assessment by these proceedings. The Commercial Site will fund their share of the improvements through separate financing.

Proposed Parcel Assessment				
Number	Proposed Parcel Assessment	Current APN	No. of Proposed Lots	Proposed Re-segregated Lien per Lot/Acre
14	\$4,150,000	019-082-005	166	\$ 25,000

**EXHIBIT E
METHOD OF ASSESSMENT**

d. The following assessments will be re-segregated to the number of proposed lots at a rate of \$25,000 per lot, at the time the Final Map(s) is recorded for Pulte Homes Subdivision 8311. The proposed park parcels are required as part of the residential development and are considered ancillary to the development, therefore they are not subject to assessment by these proceedings and do not receive any benefit from the proposed improvement and fees. 4 lots in Assessment No. 16 will be Affordable Units dedicated to the City as required by the Project's Affordable Housing Agreement. The Developer will pay these unit's proportional share of fees and improvements in cash prior to Final Map approval and execution of an Affordable Housing Agreement.

Proposed Parcel Assessment			Proposed Re-segregated Lien per	
Number	Proposed Parcel Assessment	Current APN	No. of Proposed Lots	Lot/Acre
16	\$2,550,000	017-080-006	102	\$ 25,000

e. The following assessments will be re-segregated to the number of proposed lots at a rate of \$28,253 per lot, at the time the Final Map(s) is recorded for Valle Subdivision MS 359-03.

Proposed Parcel Assessment			Proposed Re-segregated Lien per	
Number	Proposed Parcel Assessment	Current APN	No. of Proposed Lots	Lot/Acre
18	\$57,590	018-060-063	2	\$ 28,795

f. The following is the assessment for the Albright property APN 016-100-020.

Proposed Parcel Assessment		
Number	Proposed Parcel Assessment	Current APN
19	\$12,529	016-100-020

g. The following is the assessment for the Clenner property APN 019-060-035.

Proposed Parcel Assessment		
Number	Proposed Parcel Assessment	Current APN
20	\$4,684	019-060-035

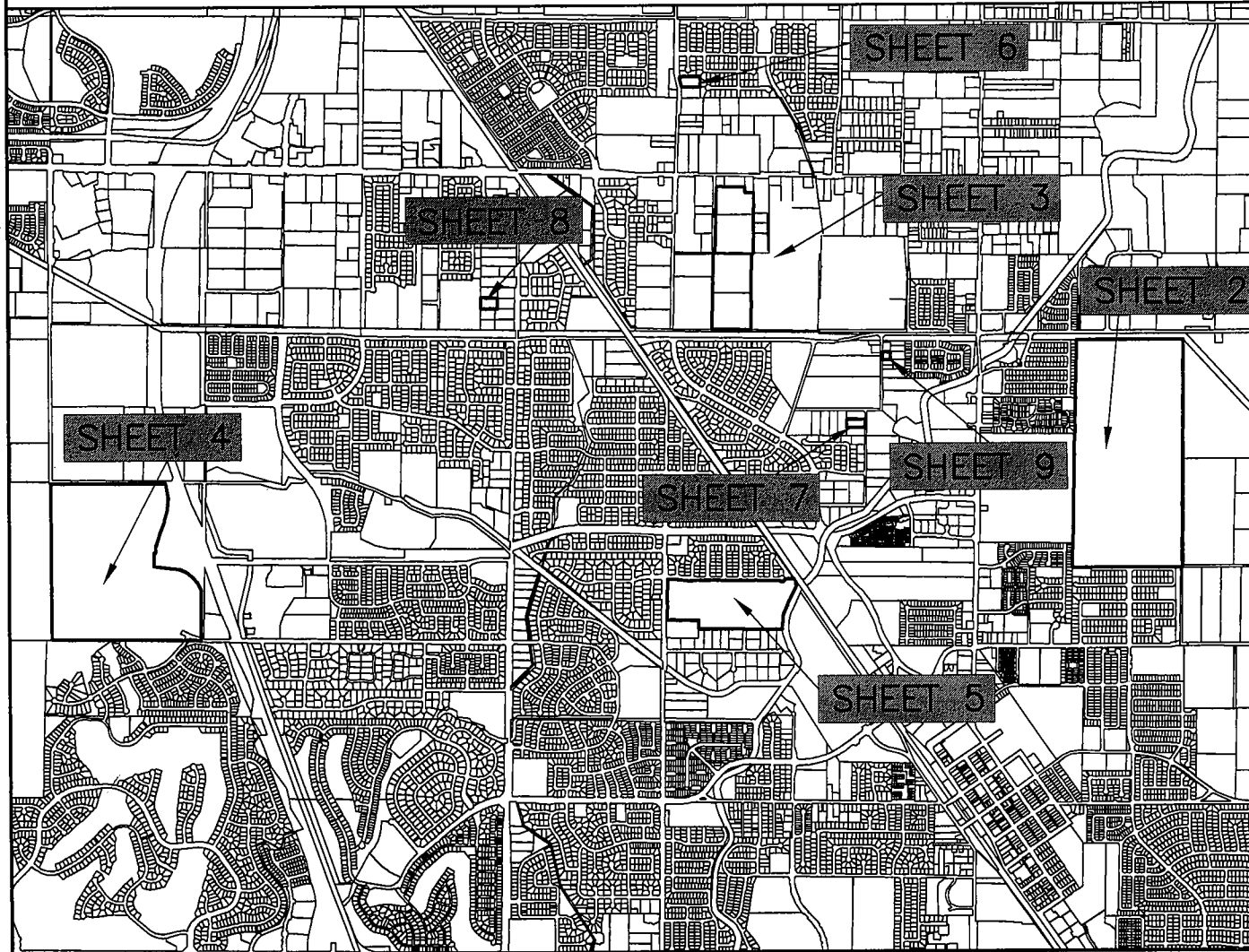
h. The following is the assessment for the Hancock property APN 016-030-004.

Proposed Parcel Assessment		
Number	Proposed Parcel Assessment	Current APN
21	\$12,529	016-030-004

EXHIBIT F
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

ASSESSMENT DIAGRAM

ASSESSMENT DIAGRAM FOR
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA



FILED THIS ____ DAY OF _____, 20____, AT THE
HOUR OF ____ O'CLOCK ____ M, IN BOOK ____ OF
MAPS OF ASSESSMENTS AND COMMUNITY
FACILITIES DISTRICTS AT PAGE ____ IN THE
OFFICE OF THE COUNTY RECORDER, IN THE
CONTRA COSTA COUNTY, STATE OF
CALIFORNIA.

DEPUTY COUNTY RECORDER
CONTRA COSTA COUNTY

RECORDED IN THE OFFICE OF THE
SUPERINTENDENT OF STREETS OF THE CITY
OF BRENTWOOD THIS ____ DAY OF _____,
20____.

SUPERINTENDENT OF STREETS
CITY OF BRENTWOOD
CONTRA COSTA COUNTY

AN ASSESSMENT WAS LEVIED BY THE CITY
COUNCIL ON THE LOTS, PIECES AND PARCELS
OF LAND SHOWN ON THIS ASSESSMENT
DIAGRAM. SAID ASSESSMENT WAS LEVIED ON
THE ____ DAY OF _____, 20____.
REFERENCE IS MADE TO THE ASSESSMENT
ROLL RECORDED IN THE OFFICE OF THE
SUPERINTENDENT OF STREETS FOR THE EXACT
AMOUNT OF EACH ASSESSMENT LEVIED
AGAINST THE PARCELS SHOWN ON THIS
ASSESSMENT DIAGRAM.

CITY CLERK
CITY OF BRENTWOOD
CONTRA COSTA COUNTY

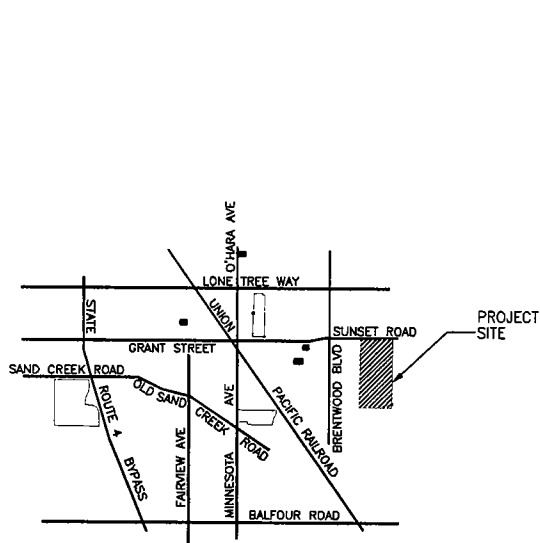
FILED IN THE OFFICE OF THE CITY CLERK OF
THE CITY OF BRENTWOOD THIS ____ DAY OF _____,
20____.

CITY CLERK
CITY OF BRENTWOOD
CONTRA COSTA COUNTY

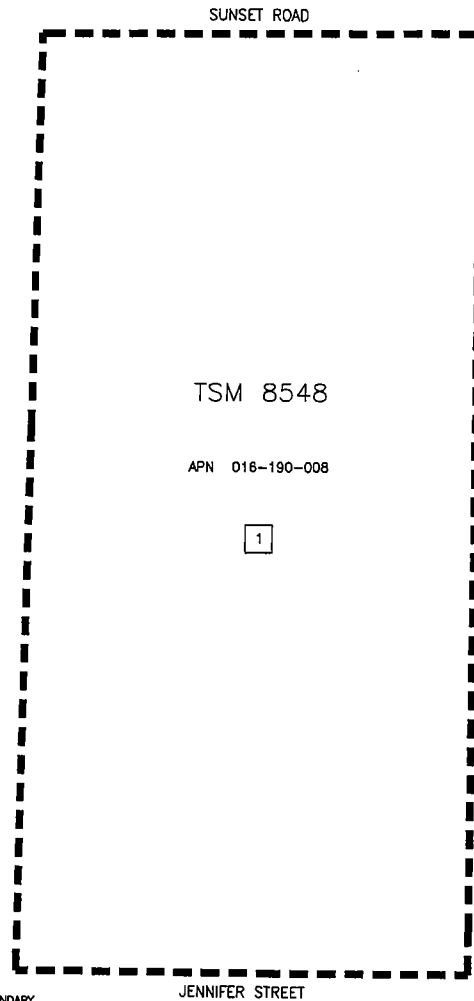


Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS

ASSESSMENT DIAGRAM FOR
 ASSESSMENT DISTRICT No. 2006-1
 CITY OF BRENTWOOD, CONTRA COSTA COUNTY
 STATE OF CALIFORNIA



VICINITY MAP
 NO SCALE



JENNIFER STREET

SCALE: 1"=300'

LEGEND

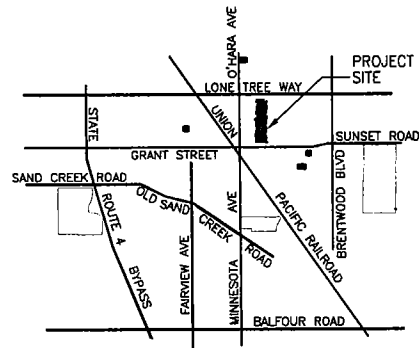
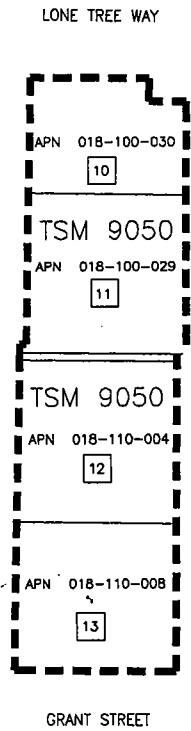
- 123-456-789 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY
- ASSESSMENT NUMBER

Harris & Associates
 PROGRAM MANAGERS
 CONSTRUCTION MANAGERS
 CIVIL ENGINEERS

THE BOUNDARY OF THE PROPOSED ASSESSMENT DISTRICT COINCIDES WITH THE ASSESSOR'S PARCELS WITHIN THE BOUNDARY SHOWN ON THIS MAP. FOR PARTICULARS OF LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE CONTRA COSTA COUNTY ASSESSOR.

DATE 06/26/06 SHEET 2 OF 9

ASSESSMENT DIAGRAM FOR
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA



VICINITY MAP
NO SCALE

LEGEND

- 123-456-789 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY
- ASSESSMENT NUMBER



SCALE: 1"=300'

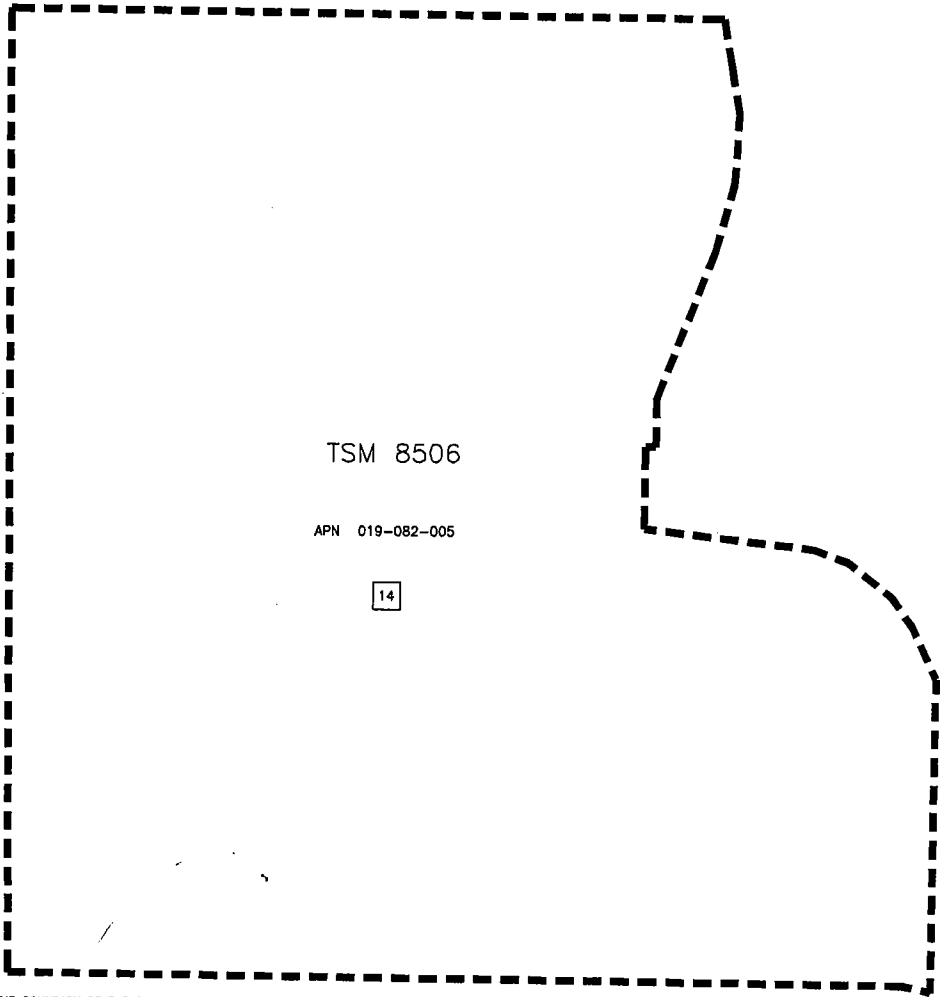
Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS

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DATE 06/26/06 SHEET 3 OF 9

ASSESSMENT DIAGRAM FOR
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA

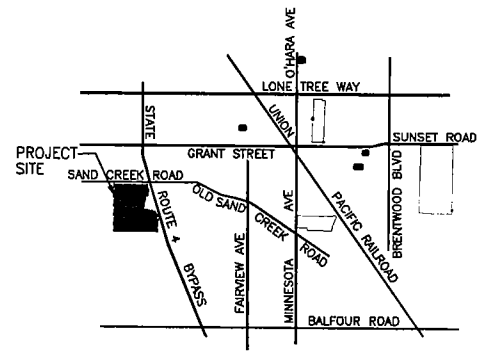
SAND CREEK ROAD



TSM 8506

APN 019-082-005

14



VICINITY MAP
NO SCALE

LEGEND

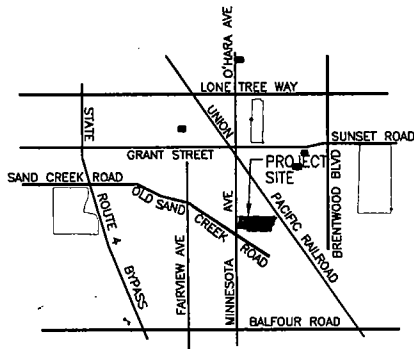
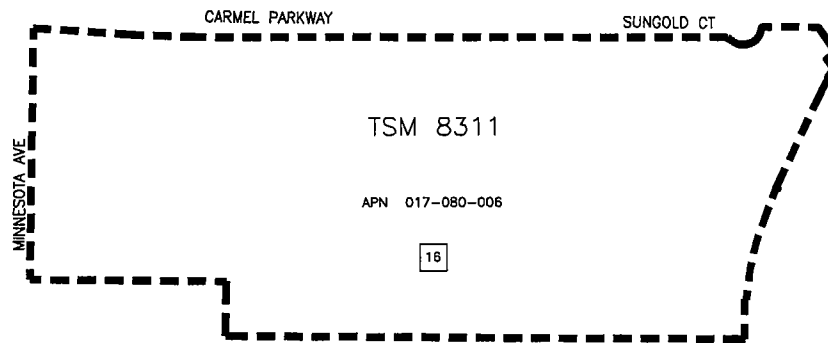
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Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS

SCALE: 1"=200'

THE BOUNDARY OF THE PROPOSED ASSESSMENT DISTRICT COINCIDES WITH THE ASSESSOR'S PARCELS WITHIN THE BOUNDARY SHOWN ON THIS MAP. FOR PARTICULARS OF LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE CONTRA COSTA COUNTY ASSESSOR.

ASSESSMENT DIAGRAM FOR
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA



VICINITY MAP
NO SCALE

LEGEND

- 123-456-789 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY
- ASSESSMENT NUMBER



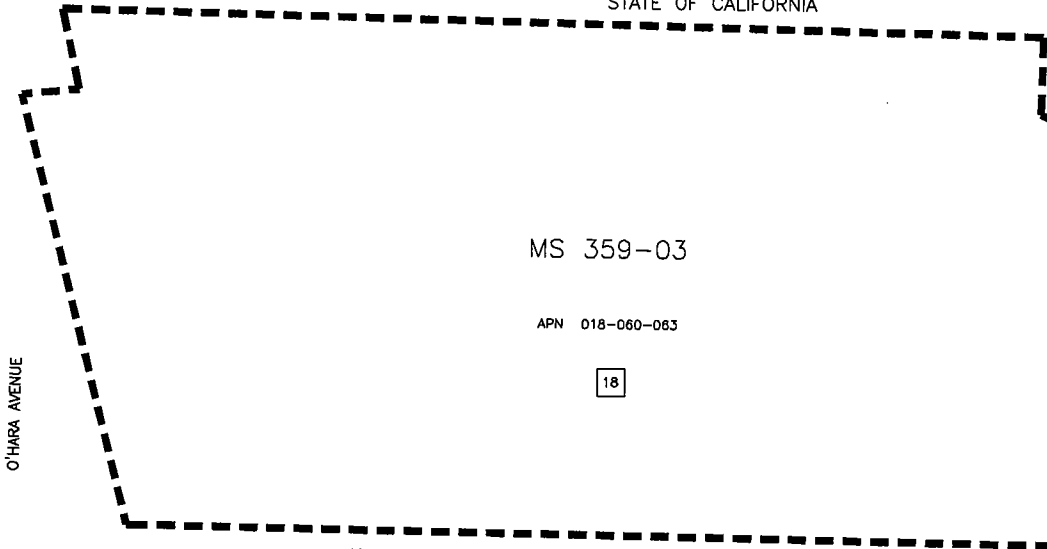
SCALE: 1"=200'

Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS

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DATE 06/26/06 SHEET 5 OF 9

ASSESSMENT DIAGRAM FOR
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA

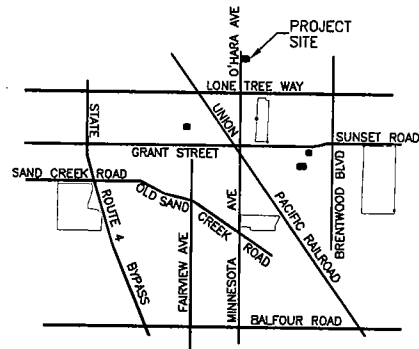


MS 359-03

APN 018-060-083

18

O'HARA AVENUE



VICINITY MAP
NO SCALE

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LEGEND

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- ASSESSMENT DISTRICT BOUNDARY
- ASSESSMENT NUMBER

Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS

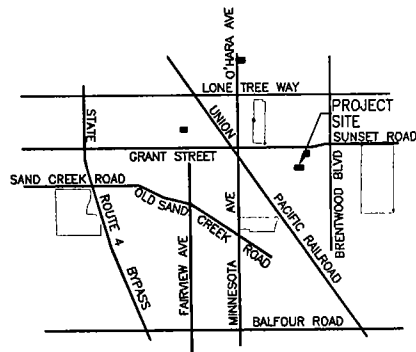
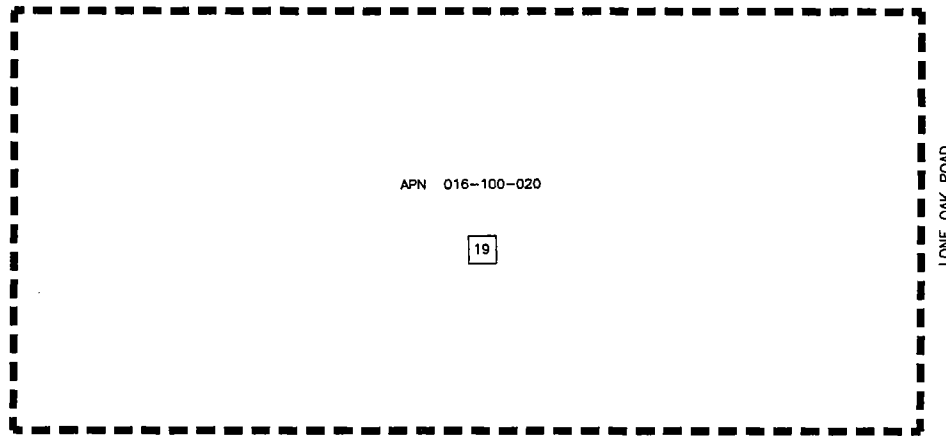
SCALE: 1"=25'

DATE 06/26/06

SHEET 6 OF 9

ASSESSMENT DIAGRAM FOR
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA

GRACIE LANE



VICINITY MAP
NO SCALE

LEGEND

- 123-456-789 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY
- ASSESSMENT NUMBER

Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS

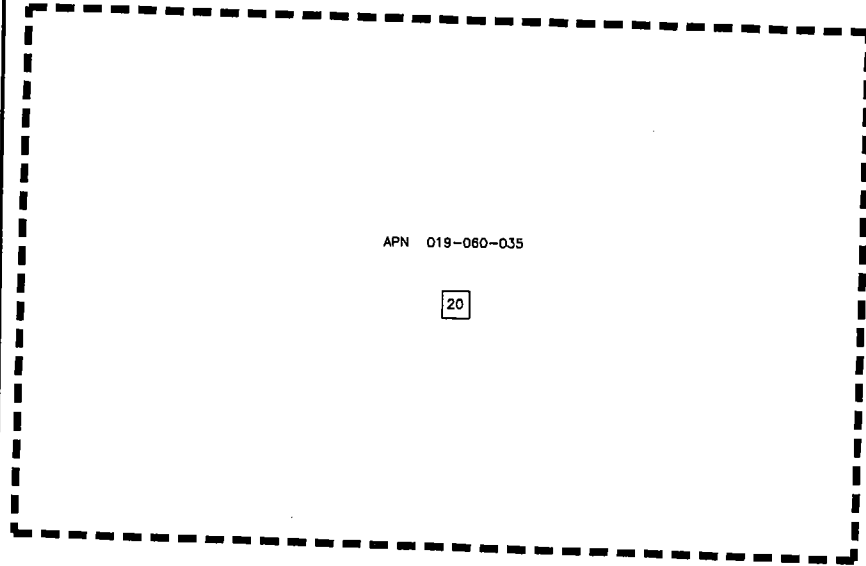


SCALE: 1"=25'

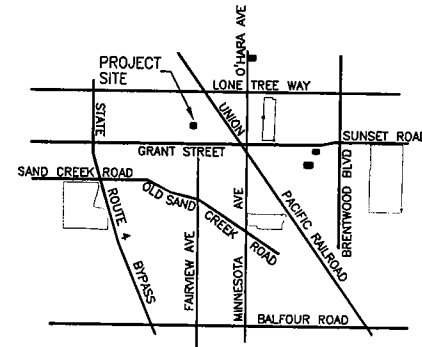
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DATE 05/26/06 SHEET 7 OF 8

ASSESSMENT DIAGRAM FOR
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA



FAIRVIEW AVENUE



VICINITY MAP
NO SCALE

LEGEND

- 123-456-789 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY
- ASSESSMENT NUMBER



SCALE: 1"=25'

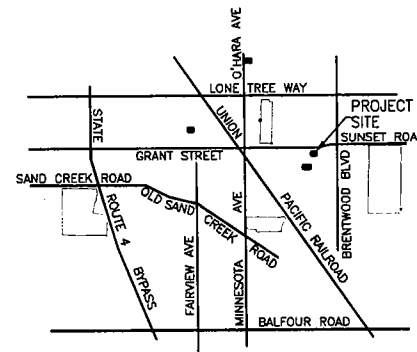
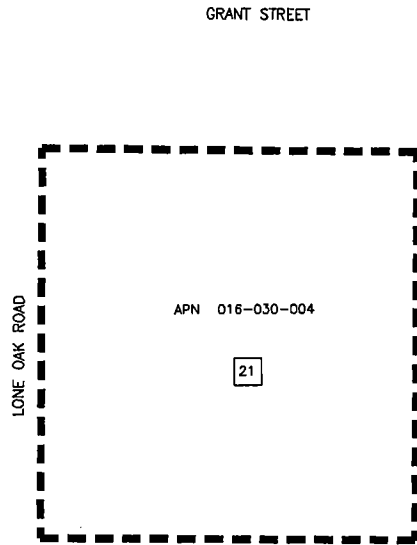


Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS

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DATE 06/26/06	SHEET 8 OF 9
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ASSESSMENT DIAGRAM FOR
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA



VICINITY MAP
NO SCALE

LEGEND

- 123-456-789 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY
- ASSESSMENT NUMBER



SCALE: 1"=25'

Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS

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DATE 06/26/06 SHEET 9 OF 9

EXHIBIT G
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
PROPOSED MAXIMUM ANNUAL ASSESSMENT PER PARCEL FOR
ADMINISTRATIVE COSTS AND EXPENSES

In the event that the amount provided for in these proceedings is insufficient to pay various costs and expenses incurred from time to time by the City and not otherwise reimbursed to the City which result from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto, this City Council intends, pursuant to Section 8682.1 and subparagraph (f) of Section 10204 of the California Streets and Highways Code, to provide for an annual assessment upon each of the parcels of land in the proposed Assessment District to provide therefore. The maximum annual assessment upon each of the parcels of land within the Assessment District shall be five percent (5%) of the annual installment of assessment to be levied upon such parcels in these proceedings.

EXHIBIT H
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

COMPLIANCE WITH PART 7.5 OF DIVISION 4
OF THE CALIFORNIA STREETS AND HIGHWAY CODE

Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the City Council of the City of Brentwood intends to comply with the requirements of the Special Assessment Investigation, Limitations and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the California Streets and Highways Code.

The total true value of the parcels of land and improvements, which are proposed to be assessed, will be estimated prior to the issuance of bonds. A minimum 3:1 value-to-lien ratio must be established to support the bond issue. The City has retained a qualified land appraiser to determine the value of all land and improvements prior to bond sale.

The total principal amount of unpaid assessments already levied against all the property proposed to be assessed is \$0.00.

The total estimated amount of assessment proposed to be levied in these proceedings is: \$17,212,332

Therefore, the total amount of the principal sum of all unpaid special assessments levied against the parcels proposed to be assessed, plus the principal amount of special assessments proposed to be levied in these proceedings, does not exceed one-half of the total value of the parcels proposed to be assessed.

EXHIBIT I
ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
DESCRIPTION OF RIGHT-OF-WAY ACQUISITION

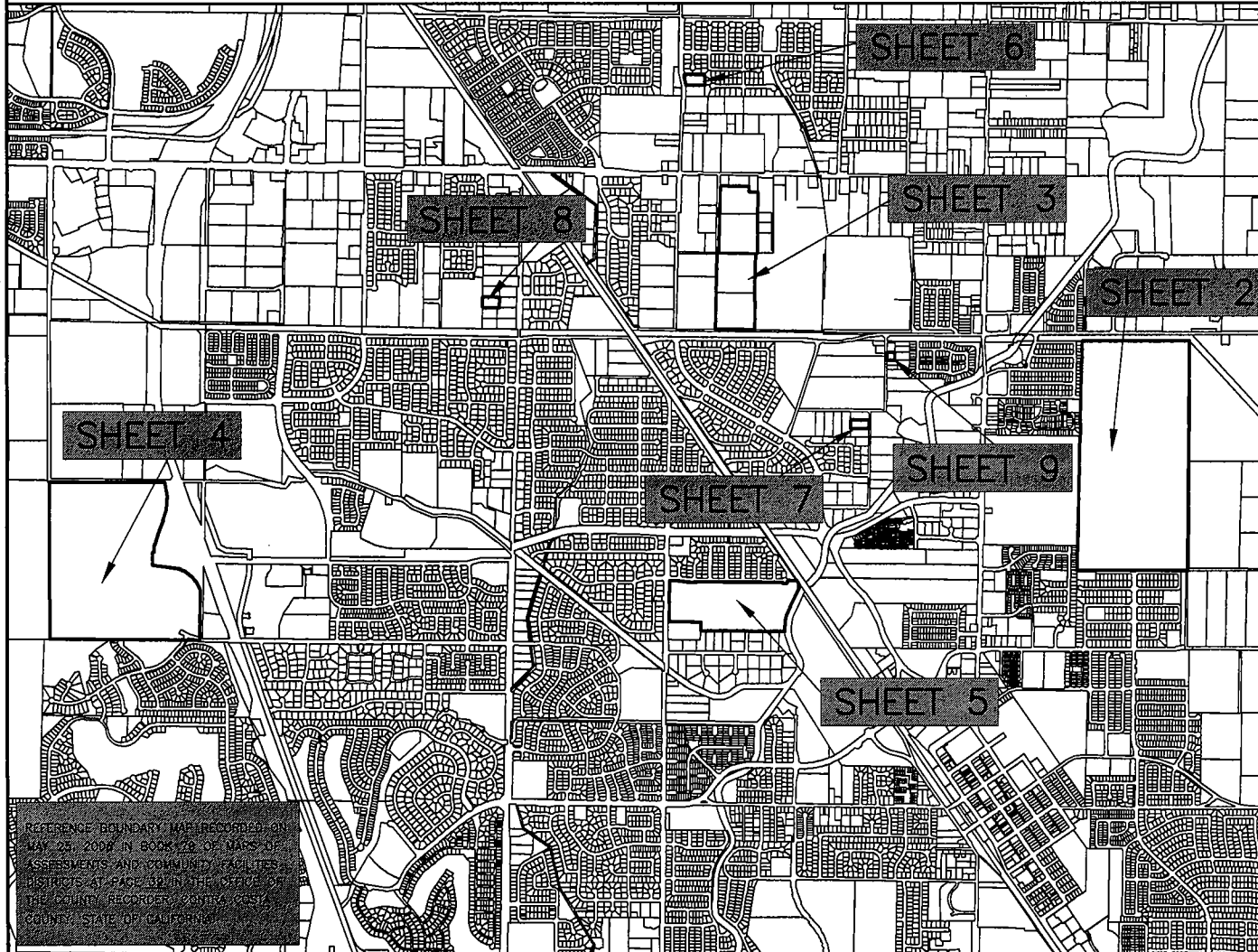
1. See Exhibit C, individual estimates.

**ASSESSMENT DISTRICT NO. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA**

APPENDIX ITEMS

- | | | |
|-----------|---------------------------------------|------------------|
| 1. | Boundary Map | (9 Pages) |
| 2. | Individual Fee Credit Analysis | (7 Pages) |

AMENDED PROPOSED BOUNDARIES OF
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA



FILED THIS ____ DAY OF _____, 20____, AT THE
HOUR OF ____ O'CLOCK ____ M, IN BOOK ____ OF
MAPS OF ASSESSMENTS AND COMMUNITY
FACILITIES DISTRICTS AT PAGE ____ IN THE
OFFICE OF THE COUNTY RECORDER, IN THE
CONTRA COSTA COUNTY, STATE OF
CALIFORNIA.

DEPUTY COUNTY RECORDER
CONTRA COSTA COUNTY

FILED IN THE OFFICE OF THE CITY CLERK OF
THE CITY OF BRENTWOOD THIS ____ DAY OF
_____, 20____.

CITY CLERK
CITY OF BRENTWOOD
CONTRA COSTA COUNTY

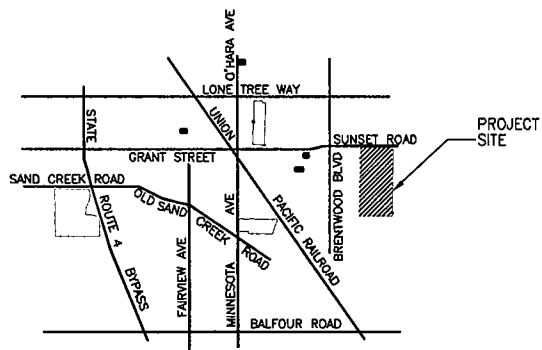
I HEREBY CERTIFY THAT THE MAP SHOWING
PROPOSED BOUNDARY OF ASSESSMENT
DISTRICT NO. 2006-01, CITY OF BRENTWOOD,
CONTRA COSTA COUNTY, STATE OF CALIFORNIA,
WAS APPROVED BY THE CITY COUNCIL OF THE
CITY OF BRENTWOOD, AT A REGULAR MEETING
THEREOF, HELD ON THE ____ DAY OF _____,
20____, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF BRENTWOOD
CONTRA COSTA COUNTY

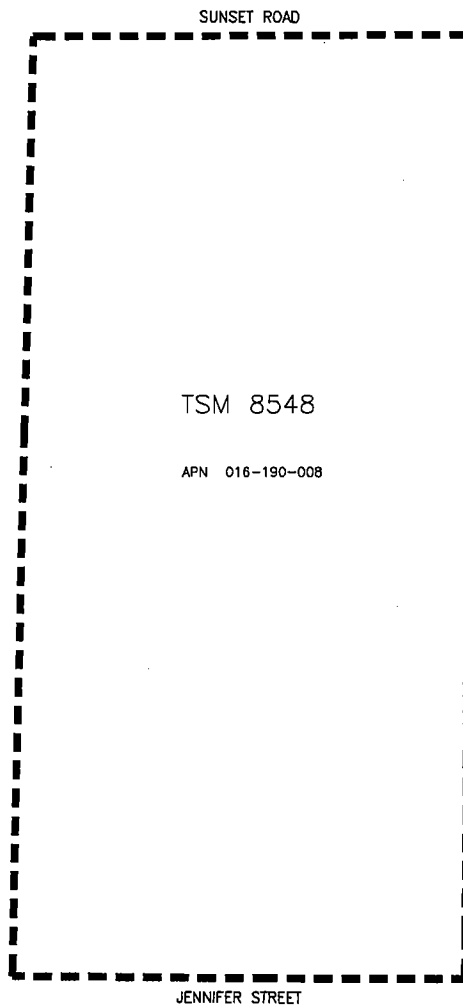
Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS

REFERENCE BOUNDARY MAP RECORD NO. 2007 IN BOOK 2006 OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE 48 IN THE OFFICE OF THE COUNTY RECORDER, CONTRA COSTA COUNTY, STATE OF CALIFORNIA.

AMENDED PROPOSED BOUNDARIES OF
 ASSESSMENT DISTRICT No. 2006-1
 CITY OF BRENTWOOD, CONTRA COSTA COUNTY
 STATE OF CALIFORNIA



VICINITY MAP
 NO SCALE



SCALE: 1"=300'

LEGEND

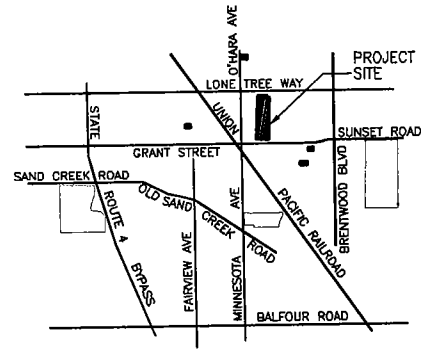
- 123-456-789 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY

Harris & Associates
 PROGRAM MANAGERS
 CONSTRUCTION MANAGERS
 CIVIL ENGINEERS

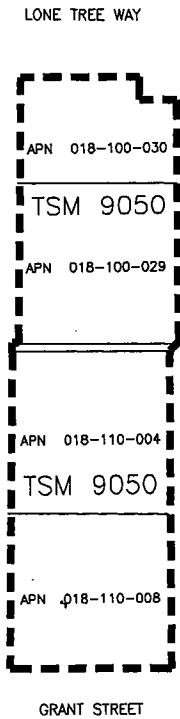
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DATE 05/25/06 SHEET 2 OF 9

AMENDED PROPOSED BOUNDARIES OF
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA



VICINITY MAP
NO SCALE



LEGEND

- 123-456-789 ASSESSOR'S PARCEL NUMBER
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- ASSESSMENT DISTRICT BOUNDARY

Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS

SCALE: 1"=300'

DATE 06/26/06 SHEET 3 OF 9

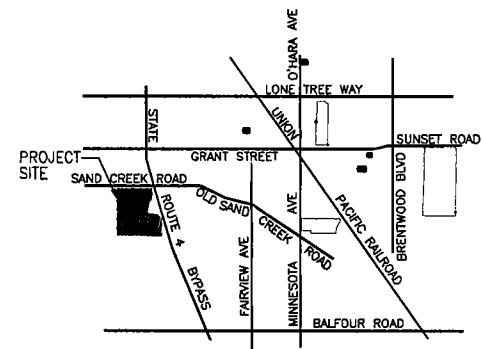
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AMENDED PROPOSED BOUNDARIES OF
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA

SAND CREEK ROAD

TSM 8506

APN 019-082-005

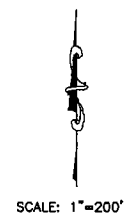


VICINITY MAP
NO SCALE

LEGEND

- 123-456-789 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY

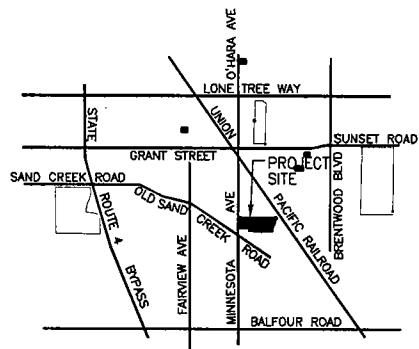
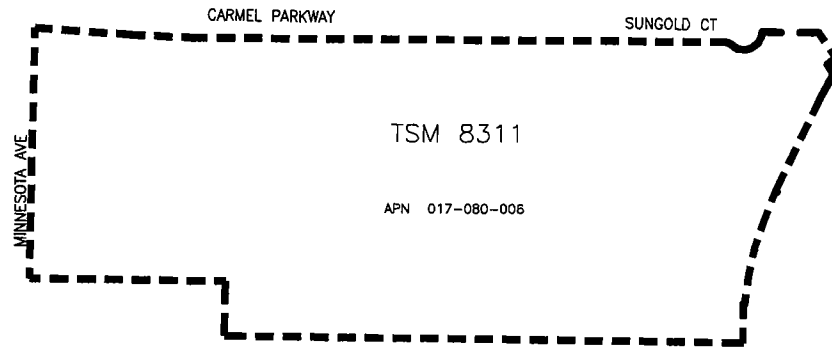
Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS



SCALE: 1"=200'

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AMENDED PROPOSED BOUNDARIES OF
 ASSESSMENT DISTRICT No. 2006-1
 CITY OF BRENTWOOD, CONTRA COSTA COUNTY
 STATE OF CALIFORNIA



VICINITY MAP
 NO SCALE

LEGEND

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 PROGRAM MANAGERS
 CONSTRUCTION MANAGERS
 CIVIL ENGINEERS

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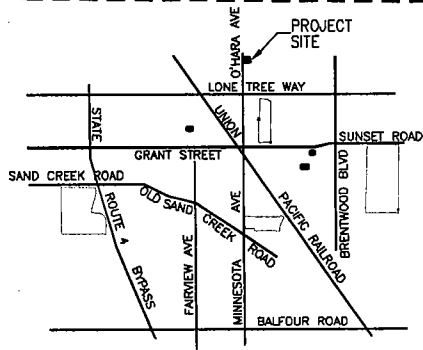
DATE 06/26/06 SHEET 5 OF 9

AMENDED PROPOSED BOUNDARIES OF
 ASSESSMENT DISTRICT No. 2006-1
 CITY OF BRENTWOOD, CONTRA COSTA COUNTY
 STATE OF CALIFORNIA

MS 359-03

APN 018-060-063

O'HARA AVENUE



VICINITY MAP
 NO SCALE

LEGEND

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- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY

Harris & Associates
 PROGRAM MANAGERS
 CONSTRUCTION MANAGERS
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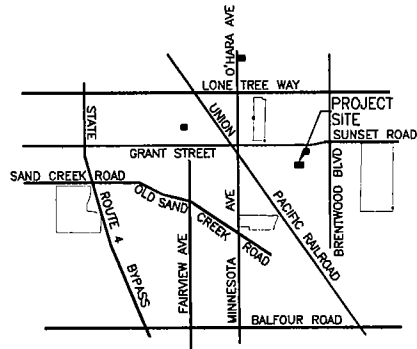
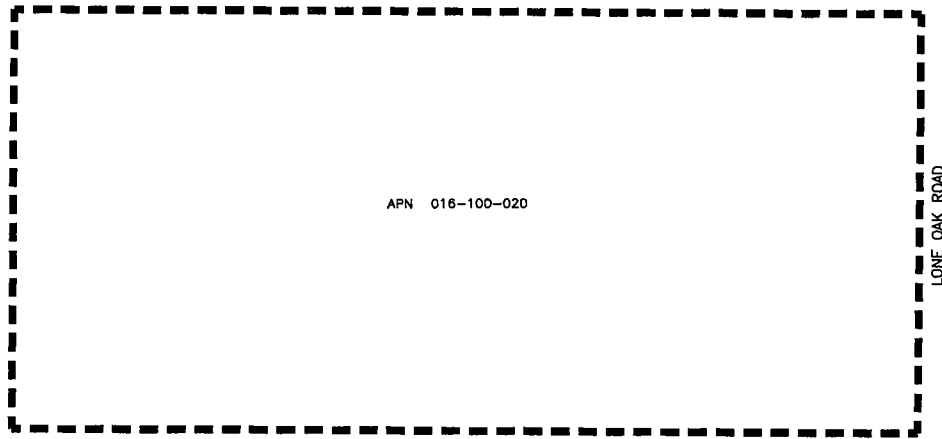
SCALE: 1"=25'

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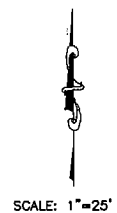
DATE 06/26/06 SHEET 6 OF 9

AMENDED PROPOSED BOUNDARIES OF
 ASSESSMENT DISTRICT No. 2006-1
 CITY OF BRENTWOOD, CONTRA COSTA COUNTY
 STATE OF CALIFORNIA

GRACIE LANE



VICINITY MAP
 NO SCALE



LEGEND

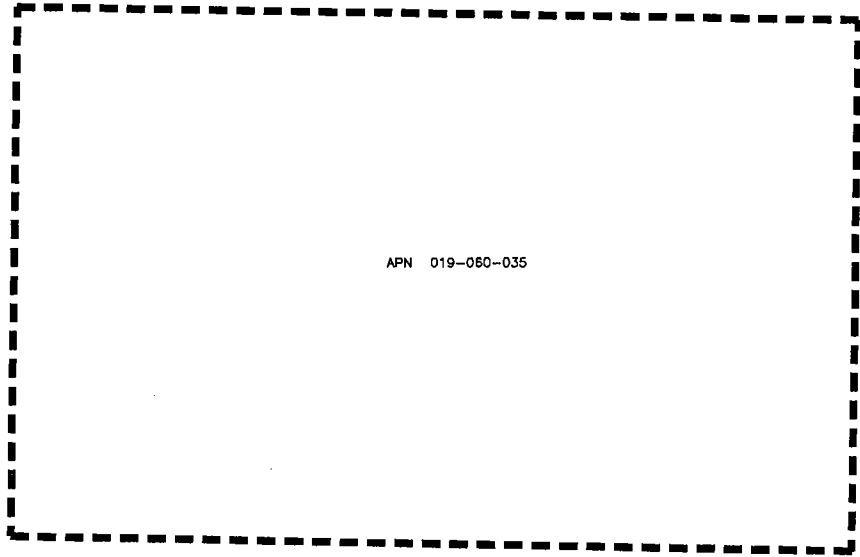
- 123-456-789 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LINE
- ■ ■ ASSESSMENT DISTRICT BOUNDARY

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 PROGRAM MANAGERS
 CONSTRUCTION MANAGERS
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THE BOUNDARY OF THE PROPOSED ASSESSMENT DISTRICT COINCIDES WITH THE ASSESSOR'S PARCELS WITHIN THE BOUNDARY SHOWN ON THIS MAP. FOR PARTICULARS OF LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE CONTRA COSTA COUNTY ASSESSOR.

DATE	05/28/06	SHEET	7 OF 9
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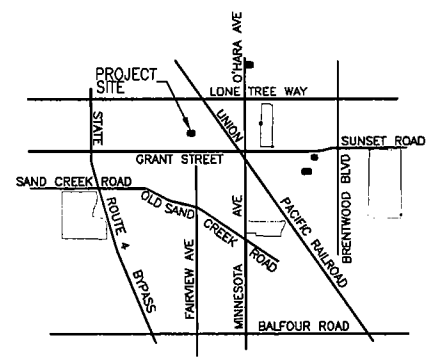
AMENDED PROPOSED BOUNDARIES OF
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA



APN 019-060-035

GRANT STREET

FAIRVIEW AVENUE



VICINITY MAP
NO SCALE

LEGEND

- 123-456-789 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY

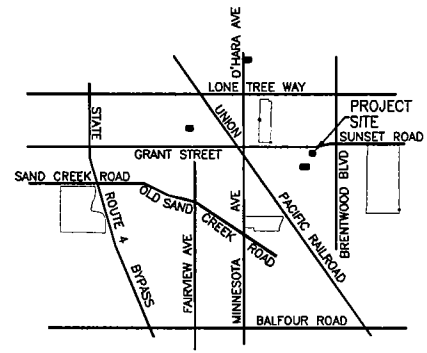
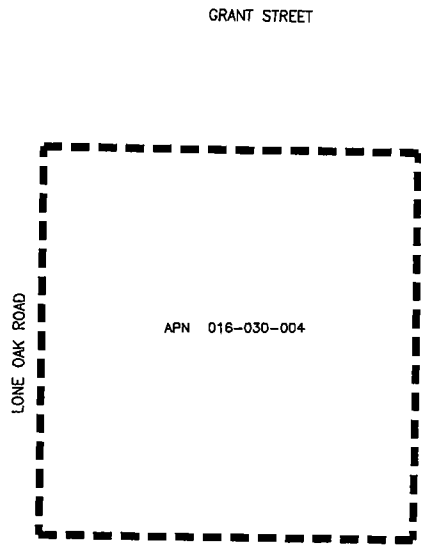
Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS



SCALE: 1"=25'

THE BOUNDARY OF THE PROPOSED ASSESSMENT DISTRICT COINCIDES WITH THE ASSESSOR'S PARCELS WITHIN THE BOUNDARY SHOWN ON THIS MAP. FOR PARTICULARS OF LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE CONTRA COSTA COUNTY ASSESSOR.

AMENDED PROPOSED BOUNDARIES OF
ASSESSMENT DISTRICT No. 2006-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY
STATE OF CALIFORNIA



VICINITY MAP
NO SCALE

LEGEND

- 123-456-789 ASSESSOR'S PARCEL NUMBER
- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY

Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS

SCALE: 1"=25'

THE BOUNDARY OF THE PROPOSED ASSESSMENT DISTRICT COINCIDES WITH THE ASSESSOR'S PARCELS WITHIN THE BOUNDARY SHOWN ON THIS MAP. FOR PARTICULARS OF LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE CONTRA COSTA COUNTY ASSESSOR.

DATE 06/26/06

SHEET 9 OF 9

CIFP 2006-1 / AD 2006-1
 APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

			SUBD 8548
			Standard Pacific Homes small lots
			Barrington 191 Units
ACQUISITION ITEMS, PREPAY FEES AND BOND ISSUANCE COSTS			
ACQUISITION ITEMS			
1	Sand Creek Road		
2	Garin Parkway		\$201,505
3	Sunset Road		
4	Lone Tree Way		
5	San Jose Avenue		
6	O'Hara Ave.		
7			
8			
9	SUBTOTAL (1-8)		\$201,505
PREPAY FEES			
11	Prepay Roadway Fee		\$382,000
12	Prepay Water Facilities Fee		\$916,800
13	Prepay Wastewater Facilities Fee		\$0
14	Prepay Parks & Trails Fee		\$0
15	Prepay State Rt 4 Bypass Fee		\$955,000
16	SUBTOTAL (11 through 15)		\$2,253,800
17	TOTAL COST (9 + 16)		\$2,455,305
BOND ISSUANCE COSTS			
19	Bond Counsel	0.011	\$31,515
20	Disclosure Counsel	0.004	\$11,460
21	Bond Printing	0.002	\$5,730
22	Registrar and Paying Agent	0.001	\$2,865
23	Appraisals	0.002	\$5,730
24	Bond Discount	0.02	\$57,300
25	Bond Reserve Fund	0.085	\$243,525
26	City Administration & Assessment Eng.	0.018	\$51,570
27	Subtotal Bond Issuance Costs (Assume)	0.143	\$409,695
28	Total Assessment (17 + 27)		\$2,865,000
29	Assessment Per Unit		\$15,000.00
30			(per unit)
	TARGET:		\$15,000
	BOND COST CHECK:		\$409,695
	IMPROVEMENTS COST CHECK:		\$2,455,305
	NUMBER OF UNITS PROPOSED:		191

check \$2,865,000

Local Obligation / Improvement Items:

Prepay PORTION Roadway Fee			
191 Units	\$10,020.07	\$	1,913,833.37 (\$3,888,080.73)
	Estimated Fee Credit:	\$	(1,503,286.27) (\$7,870.61)
	total:	\$	410,547.10
	<i>Portion in this district:</i>		
191 Units	\$2,000.00	\$	382,000.00
Prepay PORTION Water Fee			
191 Units	\$6,653.84	\$	1,270,883.44
	Estimated Fee Credit:	\$	(246,821.84) (\$638,376.90)
	total:	\$	1,024,061.60 (\$1,292.26)
	<i>Portion in this district:</i>		
191 Units	\$4,800.00	\$	916,800.00
Prepay PORTION Wastewater Fee			
191 Units	\$3,972.97	\$	758,837.27
	Estimated Fee Credit:	\$	-
	total:	\$	758,837.27
	<i>Portion in this district:</i>		
191 Units	\$0.00	\$	-
Prepay PORTION Parks Fee			
191 Units	\$6,712.42	\$	1,282,072.22 (\$3,772,447.82)
	Estimated Fee Credit:	\$	(1,458,578.00) (\$7,636.53)
	total:	\$	(176,505.78)
	<i>Portion in this district:</i>		
191 Units	\$0.00	\$	-
Prepay PORTION Bypass Fee			
191 Units	\$15,390.00	\$	2,939,490.00
	Estimated Fee Credit:	\$	-
	total:	\$	2,939,490.00
	<i>Portion in this district:</i>		
191 Units	\$5,000.00	\$	955,000.00

Notes:

Acquisition priorities
 1st Garin Parkway
 2nd Sand Creek Road in-tract

City Fees 2006		
Water	\$6,653.84	per SFR
Wastewater	\$3,972.97	per SFR
Roads	\$10,020.07	per SFR
Parks	\$6,712.42	per SFR
Bypass	\$15,390.00	per SFR

CIFP 2006-1 / AD 2006-1
 APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

			SUBD 8548
			Standard Pacific Homes medium lots
			Barrington 193 Units
ACQUISITION ITEMS, PREPAY FEES AND BOND ISSUANCE COSTS			
	ACQUISITION ITEMS		
1	Sand Creek Road		
2	Garin Parkway		\$1,030,620
3	Sunset Road		
4	Lone Tree Way		
5	San Jose Avenue		
6	O'Hara Ave.		
7			
8			
9	SUBTOTAL (1-8)		\$1,030,620
	PREPAY FEES		
11	Prepay Roadway Fee		\$386,000
12	Prepay Water Facilities Fee		\$926,400
13	Prepay Wastewater Facilities Fee		\$0
14	Prepay Parks & Trails Fee		\$0
15	Prepay State Rt 4 Bypass Fee		\$965,000
16	SUBTOTAL (11 through 15)		\$2,277,400
17	TOTAL COST (9 + 16)		\$3,308,020
	BOND ISSUANCE COSTS		
18	Bond Counsel	0.011	\$42,460
19	Disclosure Counsel	0.004	\$15,440
20	Bond Printing	0.002	\$7,720
21	Registrar and Paying Agent	0.001	\$3,860
22	Appraisals	0.002	\$7,720
23	Bond Discount	0.02	\$77,200
24	Bond Reserve Fund	0.085	\$328,100
25	City Administration & Assessment Eng.	0.018	\$69,480
26	Subtotal Bond Issuance Costs (Assume)	0.143	\$551,980
27	Total Assessment (17 + 27)		\$3,860,000
28	Assessment Per Unit		\$20,000.00
29			(per unit)
30			

CHECK	TARGET:	\$20,000
	BOND COST CHECK:	\$551,980
	IMPROVEMENTS COST CHECK:	\$3,308,020
	NUMBER OF UNITS PROPOSED:	193

check \$3,860,000

Local Obligation / Improvement Items:

Prepay PORTION Roadway Fee

193 Units	\$10,020.07	\$	1,933,873.51	(\$3,888,080.73)	TOTAL
	Estimated Fee Credit:		(\$1,519,027.49)	(\$7,870.61)	PER LOT
	total:		\$	414,846.02	

Portion in this district:

193 Units	\$2,000.00	\$	386,000.00	
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Prepay PORTION Water Fee

193 Units	\$6,653.84	\$	1,284,191.12	(\$638,376.90)	TOTAL
	Estimated Fee Credit:		(\$249,406.36)	(\$1,292.26)	PER LOT
	total:		\$	1,034,784.76	

Portion in this district:

193 Units	\$4,800.00	\$	926,400.00	
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Prepay PORTION Wastewater Fee

193 Units	\$3,972.97	\$	766,783.21	
	Estimated Fee Credit:		\$	-
	total:		\$	766,783.21

Portion in this district:

193 Units	\$0.00	\$	-	
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Prepay PORTION Parks Fee

193 Units	\$6,712.42	\$	1,295,497.06	(\$3,772,447.82)	TOTAL
	Estimated Fee Credit:		(\$1,473,851.07)	(\$7,636.53)	PER LOT
	total:		\$	(178,354.01)	

Portion in this district:

193 Units	\$0.00	\$	-	
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Prepay PORTION Bypass Fee

193 Units	\$15,390.00	\$	2,970,270.00	
	Estimated Fee Credit:		\$	-
	total:		\$	2,970,270.00

Portion in this district:

193 Units	\$5,000.00	\$	965,000.00	
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Notes:

Acquisition priorities
 1st Garin Parkway
 2nd Sand Creek Road in-tract

City Fees 2006		
Water	\$6,653.84	per SFR
Wastewater	\$3,972.97	per SFR
Roads	\$10,020.07	per SFR
Parks	\$6,712.42	per SFR
Bypass	\$15,390.00	per SFR

CIFP 2006-1 / AD 2006-1
 APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

			SUBD 8548
			Standard Pacific Homes large lots
			Barrington 89 Units
ACQUISITION ITEMS, PREPAY FEES AND BOND ISSUANCE COSTS			
ACQUISITION ITEMS			
1	Sand Creek Road		
2	Garin Parkway		\$856,625
3	Sunset Road		
4	Lone Tree Way		
5	San Jose Avenue		
6	O'Hara Ave.		
7			
8			
9	SUBTOTAL (1-8)		\$856,625
PREPAY FEES			
10	Prepay Roadway Fee		\$178,000
11	Prepay Water Facilities Fee		\$427,200
12	Prepay Wastewater Facilities Fee		\$0
13	Prepay Parks & Trails Fee		\$0
14	Prepay State Rt 4 Bypass Fee		\$445,000
15	SUBTOTAL (11 through 15)		\$1,050,200
16	TOTAL COST (9 + 16)		\$1,906,825
BOND ISSUANCE COSTS			
17	Bond Counsel	0.011	\$24,475
18	Disclosure Counsel	0.004	\$8,900
19	Bond Printing	0.002	\$4,450
20	Registrar and Paying Agent	0.001	\$2,225
21	Appraisals	0.002	\$4,450
22	Bond Discount	0.02	\$44,500
23	Bond Reserve Fund	0.085	\$189,125
24	City Administration & Assessment Eng.	0.018	\$40,050
25	Subtotal Bond Issuance Costs (Assume	0.143	\$318,175
26	Total Assessment (17 + 27)		\$2,225,000
27	Assessment Per Unit		\$25,000.00
28			(per unit)
29	TARGET:		\$25,000
30	BOND COST CHECK:		\$318,175
31	IMPROVEMENTS COST CHECK:		\$1,906,825
32	NUMBER OF UNITS PROPOSED:		89

CHECK

check \$2,225,000

Local Obligation / Improvement Items:

Prepay PORTION Roadway Fee			
89 Units	\$10,020.07	\$	891,786.23 (\$3,888,080.73)
	Estimated Fee Credit:		(\$700,484.18) (\$7,870.61)
	total:	\$	191,302.05
	<i>Portion in this district:</i>		
89 Units	\$2,000.00	\$	178,000.00
Prepay PORTION Water Fee			
89 Units	\$6,653.84	\$	592,191.76 (\$638,376.90)
	Estimated Fee Credit:		(115,011.22) (\$1,292.26)
	total:	\$	477,180.54
	<i>Portion in this district:</i>		
89 Units	\$4,800.00	\$	427,200.00
Prepay PORTION Wastewater Fee			
89 Units	\$3,972.97	\$	353,594.33
	Estimated Fee Credit:		-
	total:	\$	353,594.33
	<i>Portion in this district:</i>		
89 Units	\$0.00	\$	-
Prepay PORTION Parks Fee			
89 Units	\$6,712.42	\$	597,405.38 (\$3,772,447.82)
	Estimated Fee Credit:		(679,651.53) (\$7,636.53)
	total:	\$	(82,246.15)
	<i>Portion in this district:</i>		
89 Units	\$0.00	\$	-
Prepay PORTION Bypass Fee			
89 Units	\$15,390.00	\$	1,369,710.00
	Estimated Fee Credit:		-
	total:	\$	1,369,710.00
	<i>Portion in this district:</i>		
89 Units	\$5,000.00	\$	445,000.00

Notes:

Acquisition priorities
 1st Garin Parkway
 2nd Sand Creek Road in-tract

City Fees 2006		
Water	\$6,653.84	per SFR
Wastewater	\$3,972.97	per SFR
Roads	\$10,020.07	per SFR
Parks	\$6,712.42	per SFR
Bypass	\$15,390.00	per SFR

CIFF 2006-1 / AD 2006-1
 APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

ACQUISITION ITEMS, PREPAY FEES AND BOND ISSUANCE COSTS			SUBD 9050 Passport Homes Estates at the Preserve 59 Units
ACQUISITION ITEMS			
1	Sand Creek Road		
2	Garin Parkway		
3	Sunset Road		
4	Lone Tree Way		\$497,075
5	San Jose Avenue		
6	O'Hara Ave.		
7			
8			
9	SUBTOTAL (1-8)		\$497,075
PREPAY FEES			
11	Prepay Roadway Fee		\$0
12	Prepay Water Facilities Fee		\$295,000
13	Prepay Wastewater Facilities Fee		\$0
14	Prepay Parks & Trails Fee		\$177,000
15	Prepay State Rt 4 Bypass Fee		\$295,000
16	SUBTOTAL (11 through 15)		\$767,000
17	TOTAL COST (9 + 16)		\$1,264,075
BOND ISSUANCE COSTS			
18	Bond Counsel	0.011	\$16,225
20	Disclosure Counsel	0.004	\$5,900
21	Bond Printing	0.002	\$2,950
22	Registrar and Paying Agent	0.001	\$1,475
23	Appraisals	0.002	\$2,950
24	Bond Discount	0.02	\$29,500
25	Bond Reserve Fund	0.085	\$125,375
26	City Administration & Assessment Eng.	0.018	\$26,550
27	Subtotal Bond Issuance Costs (Assume	0.143	\$210,925
28	Total Assessment (17 + 27)		\$1,475,000
29	Assessment Per Unit		\$25,000.00
30			(per unit)
	TARGET		\$25,000
	BOND COST CHECK:		\$210,925
	IMPROVEMENTS COST CHECK:		\$1,264,075
	NUMBER OF UNITS PROPOSED:		59

Local Obligation / Improvement Items:

Prepay PORTION Roadway Fee			
59 Units	\$10,020.07	\$	591,184.13
	Estimated Fee Credit:	\$	(740,250.00)
	total:	\$	740,250.00
			1575' X \$470/LF
			(\$149,065.87)
	<i>Portion in this district:</i>		
59 Units	\$0.00	\$	-
Prepay PORTION Water Fee			
59 Units	\$6,653.84	\$	392,576.56
	Estimated Fee Credit:	\$	-
	total:	\$	392,576.56
	<i>Portion in this district:</i>		
59 Units	\$5,000.00	\$	295,000.00
Prepay PORTION Wastewater Fee			
59 Units	\$3,972.97	\$	234,405.23
	Estimated Fee Credit:	\$	-
	total:	\$	234,405.23
	<i>Portion in this district:</i>		
59 Units	\$0.00	\$	-
Prepay PORTION Parks Fee			
59 Units	\$6,712.42	\$	396,032.78
	Estimated Fee Credit:	\$	(166,469.82)
	total:	\$	229,562.96
	<i>Portion in this district:</i>		
59 Units	\$3,000.00	\$	177,000.00
			1.17 Ac incl land & soft costs
Prepay PORTION Bypass Fee			
59 Units	\$15,390.00	\$	908,010.00
	Estimated Fee Credit:	\$	-
	total:	\$	908,010.00
	<i>Portion in this district:</i>		
59 Units	\$5,000.00	\$	295,000.00

Notes:

1. Acquisition priorities
Lone Tree Way off-site
2. existing home (remainder parcel) receives no assessment-cash contribution by developer for benefitting improvements

CHECK

check \$1,475,000

City Fees 2006		
Water	\$6,653.84	per SFR
Wastewater	\$3,972.97	per SFR
Roads	\$10,020.07	per SFR
Parks	\$6,712.42	per SFR
Bypass	\$15,390.00	per SFR

CIFP 2006-1 / AD 2006-1
 APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

			SUBD. 8506
			West Coast Home Builders Bridle Gate
			166 Units
ACQUISITION ITEMS, PREPAY FEES AND BOND ISSUANCE COSTS			
ACQUISITION ITEMS			
1	Sand Creek Road		\$1,481,550
2	Garin Parkway		
3	Sunset Road		
4	Lone Tree Way		
5	San Jose Avenue		
6	O'Hara Ave.		
7			
8			
9	SUBTOTAL (1-8)		\$1,481,550
PREPAY FEES			
11	Prepay Roadway Fee		\$0
12	Prepay Water Facilities Fee		\$747,000
13	Prepay Wastewater Facilities Fee		\$498,000
14	Prepay Parks & Trails Fee		\$0
15	Prepay State Rt 4 Bypass Fee		\$830,000
16	SUBTOTAL (11 through 15)		\$2,075,000
TOTAL COST (9 + 16)			
17			\$3,556,550
BOND ISSUANCE COSTS			
19	Bond Counsel	0.011	\$45,650
20	Disclosure Counsel	0.004	\$16,600
21	Bond Printing	0.002	\$8,300
22	Registrar and Paying Agent	0.001	\$4,150
23	Appraisals	0.002	\$8,300
24	Bond Discount	0.02	\$83,000
25	Bond Reserve Fund	0.085	\$352,750
26	City Administration & Assessment Eng.	0.018	\$74,700
27	Subtotal Bond Issuance Costs (Assume	0.143	\$593,450
28	Total Assessment (17 + 27)		\$4,150,000
29	Assessment Per Unit		\$25,000.00
30			(per unit)
	TARGET		\$25,000
	BOND COST CHECK		\$593,450
	IMPROVEMENTS COST CHECK		\$3,556,550
	NUMBER OF UNITS PROPOSED		166

CHECK

check \$4,150,000

Local Obligation / Improvement Items:

Prepay PORTION Roadway Fee

166 Units	\$10,020.07	\$	1,663,331.62	
	Estimated Fee Credit:	\$	(1,594,412.00)	Sd Crk \$841,600 1600'X\$526/LF
	total:	\$	68,919.62	signals \$275,000
	Portion in this district:			cont. \$273,567
166 Units	\$0.00	\$	-	\$1,390,167
				NWQ \$204,245
				\$1,594,412

Prepay PORTION Water Fee

166 Units	\$6,653.84	\$	1,104,537.44	18" Z I full reim. 1600'X\$126
	Estimated Fee Credit:	\$	(301,987.20)	16" Z II upsized rein 1600'X\$25.60
	total:	\$	802,550.24	cont. \$59,427
	Portion in this district:			\$301,987.20
166 Units	\$4,500.00	\$	747,000.00	

Prepay PORTION Wastewater Fee

166 Units	\$3,972.97	\$	659,513.02
	Estimated Fee Credit:	\$	-
	total:	\$	659,513.02
	Portion in this district:		
166 Units	\$3,000.00	\$	498,000.00

Prepay PORTION Parks Fee

166 Units	\$6,712.42	\$	1,114,261.72	\$171,262.71 X5.04 A
	Estimated Fee Credit:	\$	(1,561,375.97)	cont. \$216,929.91
	total:	\$	(447,114.25)	land \$100,000X5.04 A
	Portion in this district:			\$1,561,375.97
166 Units	\$0.00	\$	-	

Prepay PORTION Bypass Fee

166 Units	\$15,390.00	\$	2,554,740.00
	Estimated Fee Credit:	\$	-
	total:	\$	2,554,740.00
	Portion in this district:		
166 Units	\$5,000.00	\$	830,000.00

Discussion Items:

Sand Creek Rd updated cost estimate?

City Fees 2006		
Water	\$6,653.84	per SFR
Wastewater	\$3,972.97	per SFR
Roads	\$10,020.07	per SFR
Parks	\$6,712.42	per SFR
Bypass	\$15,390.00	per SFR

CIFP 2006-1 / AD 2006-1
 APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

			<u>SUBD 8311</u>
ACQUISITION ITEMS, PREPAY FEES AND BOND ISSUANCE COSTS			Pulte Homes Carmel Estates 102 Units
	ACQUISITION ITEMS		
1	Sand Creek Road		
2	Garin Parkway		
3	Sunset Road		
4	Lone Tree Way		
5	San Jose Avenue		
6	O'Hara Ave.		
7			
8			
9	SUBTOTAL (1-8)		\$0
	PREPAY FEES		
11	Prepay Roadway Fee		\$816,000
12	Prepay Water Facilities Fee		\$0
13	Prepay Wastewater Facilities Fee		\$357,000
14	Prepay Parks & Trails Fee		\$255,000
15	Prepay State Rt 4 Bypass Fee		\$757,350
16	SUBTOTAL (11 through 15)		\$2,185,350
17	TOTAL COST (9 + 16)		\$2,185,350
	BOND ISSUANCE COSTS		
19	Bond Counsel	0.011	\$28,050
20	Disclosure Counsel	0.004	\$10,200
21	Bond Printing	0.002	\$5,100
22	Registrar and Paying Agent	0.001	\$2,550
23	Appraisals	0.002	\$5,100
24	Bond Discount	0.02	\$51,000
25	Bond Reserve Fund	0.085	\$216,750
26	City Administration & Assessment Eng.	0.018	\$45,900
27	Subtotal Bond Issuance Costs (Assume	0.143	\$364,650
28	Total Assessment (17 + 27)		\$2,550,000
29	Assessment Per Unit		\$25,000.00
30			(per unit)
	TARGET:		\$25,000
	BOND COST CHECK:		\$364,650
	IMPROVEMENTS COST CHECK:		\$2,185,350
	NUMBER OF UNITS PROPOSED:		102

Local Obligation / Improvement Items:

Prepay PORTION Roadway Fee

102 Units \$10,020.07 \$ 1,022,047.14
 Estimated Fee Credit: \$ (155,000.00) cash for Minnesota s/w actuals
 total: \$ 867,047.14

Portion in this district:

102 Units \$8,000.00 \$ 816,000.00

Prepay PORTION Water Fee

102 Units \$6,653.84 \$ 678,691.68 \$ 1,117,200.00 42" Neroly
 Estimated Fee Credit: \$ (1,117,200.00)
 total: \$ (438,508.32) cash remainder

Portion in this district:

102 Units \$0.00 \$ -

Prepay PORTION Wastewater Fee

102 Units \$3,972.97 \$ 405,242.94
 Estimated Fee Credit: \$ -
 total: \$ 405,242.94

Portion in this district:

102 Units \$3,500.00 \$ 357,000.00

Prepay PORTION Parks Fee

102 Units \$6,712.42 \$ 684,666.84 \$ 50,548.44 increased trail
 Estimated Fee Credit: \$ (416,657.09) \$ 366,108.65 1.68 Ac. Park
 total: \$ 268,009.75 \$ 416,657.09

Portion in this district:

102 Units \$2,500.00 \$ 255,000.00

Prepay PORTION Bypass Fee

102 Units \$15,390.00 \$ 1,569,780.00
 Estimated Fee Credit: \$ -
 total: \$ 1,569,780.00

Portion in this district:

102 Units \$7,425.00 \$ 757,350.00

Discussion Items:

any acquisition items?

check \$2,550,000

City Fees 2006		
Water	\$6,653.84	per SFR
Wastewater	\$3,972.97	per SFR
Roads	\$10,020.07	per SFR
Parks	\$6,712.42	per SFR
Bypass	\$15,390.00	per SFR

CIFF 2006-1 / AD 2006-1
 APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

			<u>MS 359-03</u>
			Valle
ACQUISITION ITEMS, PREPAY FEES AND BOND ISSUANCE COSTS			2 Units
ACQUISITION ITEMS			
1	Sand Creek Road		
2	Garin Parkway		
3	Sunset Road		
4	Lone Tree Way		
5	San Jose Avenue		
6	O'Hara Ave.		\$49,350
7			
8			
9	SUBTOTAL (1-8)		\$49,350
10	PREPAY FEES		
11	Prepay Roadway Fee		\$0
12	Prepay Water Facilities Fee		\$0
13	Prepay Wastewater Facilities Fee		\$0
14	Prepay Parks & Trails Fee		\$0
15	Prepay State Rt 4 Bypass Fee		\$0
16	SUBTOTAL (11 through 15)		\$0
17	TOTAL COST (9 + 16)		\$49,350
18	BOND ISSUANCE COSTS		
19	Bond Counsel	0.011	\$634
20	Disclosure Counsel	0.004	\$231
21	Bond Printing	0.002	\$115
22	Registrar and Paying Agent	0.001	\$58
23	Appraisals	0.002	\$115
24	Bond Discount	0.02	\$1,153
25	Bond Reserve Fund	0.085	\$4,896
26	City Administration & Assessment Eng.	0.018	\$1,038
27	Subtotal Bond Issuance Costs (Assume	0.143	\$8,240
28	Total Assessment (17 + 27)		\$57,590
29	Assessment Per Unit		\$28,795.00
30			(per unit)
	TARGET:		\$28,795
	BOND COST CHECK:		\$8,240
	IMPROVEMENTS COST CHECK:		\$49,350
	NUMBER OF UNITS PROPOSED:		2

Local Obligation / Improvement Items:

Prepay PORTION Roadway Fee

2 Units	\$10,020.07	\$	20,040.14
	Estimated Fee Credit:	\$	-
	total:	\$	20,040.14

Portion in this district:

2 Units	\$0.00	\$	-
---------	--------	----	---

Prepay PORTION Water Fee

2 Units	\$6,653.84	\$	13,307.68
	Estimated Fee Credit:	\$	-
	total:	\$	13,307.68

Portion in this district:

2 Units	\$0.00	\$	-
---------	--------	----	---

Prepay PORTION Wastewater Fee

2 Units	\$3,972.97	\$	7,945.94
	Estimated Fee Credit:	\$	-
	total:	\$	7,945.94

Portion in this district:

2 Units	\$0.00	\$	-
---------	--------	----	---

Prepay PORTION Parks Fee

2 Units	\$6,712.42	\$	13,424.84
	Estimated Fee Credit:	\$	-
	total:	\$	13,424.84

Portion in this district:

2 Units	\$0.00	\$	-
---------	--------	----	---

Prepay PORTION Bypass Fee

2 Units	\$15,390.00	\$	30,780.00
	Estimated Fee Credit:	\$	-
	total:	\$	30,780.00

Portion in this district:

2 Units	\$0.00	\$	-
---------	--------	----	---

Discussion Items:

O'Hara Ave. fair share 141 LF X \$350/LF= \$49,350

check \$57,590 \$8,240

City Fees 2006		
Water	\$6,653.84	per SFR
Wastewater	\$3,972.97	per SFR
Roads	\$10,020.07	per SFR
Parks	\$6,712.42	per SFR
Bypass	\$15,390.00	per SFR

APPENDIX C

THE CITY OF BRENTWOOD

The following information concerning the City and surrounding areas are included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the City, the State, or any of its political subdivisions and neither said City, said State, nor any of its political subdivisions is liable therefor. See the section herein entitled "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR."

The City is located in eastern Contra Costa County (the "County") across the San Francisco Bay approximately 45 miles northeast of San Francisco, 65 miles southwest of Sacramento and 10 miles east of the City of Antioch. The City contains approximately 8.65 square miles in total area and has a population which has increased significantly in recent years. Certain demographic information on the County is presented below under the subcaption "Contra Costa County."

The City was first settled by farmers in 1878 and was incorporated in 1948. Until the past decade, the City had retained its agricultural orientation. In recent years, new residential subdivisions have transformed the City into a more suburban environment, as evidenced by its rapid population growth. Land uses in and around the City are characterized by older farming districts and an original downtown area, contrasted with rapidly expanding residential neighborhoods in the peripheral areas of the City.

The City enjoys close proximity to major regional employment areas, including San Francisco and the northern Bay Area, Walnut Creek and the San Ramon corridor in Contra Costa County and the Stockton and central San Joaquin Valley area to the east. The City also enjoys close proximity to major regional recreation areas, including Mt. Diablo State Park approximately 25 miles to the west, the Sierra Nevada Mountains 90 miles to the east and the Sacramento Delta waterway to the north. Interstate Highway 680, a 20-minute drive from the City's downtown area, and California Highway 4, which runs through the City, provide convenient access to the City. The City is also served by the Union Pacific Railroad.

Municipal Government

The City was incorporated in 1948 as a general law city. The City government provides for four council members elected at large to serve four-year overlapping terms, at elections held every two years. The mayor is directly elected to serve a two-year term. A city manager is appointed by the council and mayor to administer daily affairs of the City and to implement policies established by the council.

Municipal functions include police protection, water service, highways and streets, sanitation, youth services, public improvements, parks and recreation services, community development and general administrative services. The City has approximately 275 employees.

Population

The following chart indicates historic population estimates of the City, County and the State of California.

HISTORICAL CITY, COUNTY AND STATE POPULATION DATA

<u>Year</u>	<u>City of Brentwood</u>	<u>Contra Costa County</u>	<u>State of California</u>
2002	30,047	983,439	35,088,671
2003	34,109	996,159	35,691,472
2004	38,395	1,008,178	36,245,016
2005	42,050	1,019,101	36,728,196
2006	45,892	1,029,377	37,172,015

Sources: State of California, Department of Finance, as of January 1.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the County, the State and the United States for the period 2000 through 2004.

**Effective Buying Income
As of January 1, 2000 through 2004**

<u>Year</u>	<u>Area</u>	<u>Total Effective Buying Income (000's Omitted)</u>	<u>Median Household Effective Buying Income</u>
2000	Contra Costa County	\$24,823,698	\$60,189
	California	652,190,282	44,464
	United States	5,230,824,904	39,129
2001	Contra Costa County	\$23,902,953	\$56,507
	California	650,521,407	43,532
	United States	5,303,481,498	38,365
2002	Contra Costa County	\$24,571,388	\$54,448
	California	647,879,427	42,484
	United States	5,340,682,818	38,035
2003	Contra Costa County	\$25,962,828	\$54,862
	California	674,721,020	42,924
	United States	5,466,880,008	38,201
2004	Contra Costa County	\$27,273,658	\$56,165
	California	705,108,410	43,915
	United States	5,692,909,567	39,324

Source: Sales & Marketing Management Survey of Buying Power.

Commercial Activity

Total taxable sales during the first and second quarters of calendar year 2005 in the City were reported to be \$173,481,000, a 16% increase over the total taxable sales of \$149,458,000 reported during the first and second quarters of calendar year 2004. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the City is presented in the following table. Yearly figures are not yet available for 2005.

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

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2000	252	149,485	493	177,716
2001	277	161,364	536	194,323
2002	292	169,876	570	199,316
2003	362	198,832	687	232,542
2004	387	298,821	745	334,262

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

Total taxable sales during the first and second quarters of calendar year 2005 in the County were reported to be \$6,349,786,000, a 3.2% increase over the total taxable sales \$6,154,749,000 reported during the first and second quarters of calendar year 2004. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the County is presented in the following table. Yearly figures are not yet available for 2005.

**CONTRA COSTA COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)**

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2000	10,791	8,649,419	22,674	12,330,560
2001	10,782	8,942,822	22,609	12,256,721
2002	10,836	9,044,346	22,541	12,159,424
2003	11,575	9,025,114	23,253	12,223,295
2004	11,717	9,697,365	23,571	12,990,538

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

Employment

Contra Costa County and Alameda County comprise the Oakland Metropolitan Statistical Area. The civilian labor force, employment and unemployment for the Oakland Metropolitan Statistical Area is outlined in the following table.

**OAKLAND METROPOLITAN STATISTICAL AREA
(Alameda and Contra Costa Counties)
Civilian Labor Force, Employment and Unemployment, Employment by Industry
(Annual Averages)**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Civilian Labor Force ⁽¹⁾	1,287,400	1,288,500	1,273,400	1,261,500	1,259,700
Employment	1,229,500	1,206,800	1,189,500	1,188,600	1,196,200
Unemployment	57,900	81,700	83,900	72,900	63,500
Unemployment Rate	4.5%	6.3%	6.6%	5.8%	5.0%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	3,000	3,000	2,600	1,500	1,500
Natural Resources and Mining	1,600	1,200	900	1,200	1,100
Construction	69,700	66,600	67,100	69,100	74,000
Manufacturing	113,200	103,600	98,000	99,100	95,400
Wholesale Trade	55,400	53,100	50,600	48,700	48,400
Retail Trade	113,300	112,000	110,500	110,200	112,300
Transportation, Warehousing and Utilities	41,300	39,500	36,000	33,900	34,400
Information	37,700	35,200	32,600	31,000	30,400
Finance and Insurance	40,300	44,200	49,400	48,900	51,700
Real Estate and Rental and Leasing	18,300	18,300	18,200	18,300	18,800
Professional and Business Services	159,000	149,600	144,900	146,700	150,600
Educational and Health Services	112,500	114,700	117,000	117,900	118,600
Leisure and Hospitality	77,900	79,900	80,400	80,600	82,600
Other Services	35,800	37,800	37,500	37,000	35,800
Federal Government	19,200	18,600	18,600	17,500	17,400
State Government	47,300	49,100	48,800	47,100	46,100
Local Government	<u>112,300</u>	<u>116,500</u>	<u>115,000</u>	<u>114,400</u>	<u>116,500</u>
Total, All Industries ⁽³⁾	1,057,800	1,042,800	1,028,200	1,023,000	1,035,800

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

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

(3) Totals may not add due to rounding.

Source: Labor Division of the California State Employment Development Department.

Major Employers

The following table lists the largest employers within the County.

COUNTY OF CONTRA COSTA Major Employers (As of January 2006)

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Bart	Richmond	Transit Lines
Berlex Biosciences	Richmond	Pharmaceutical Preparation
Bio-Rad Laboratories Inc	Hercules	Laboratory Analytical Instruments (Mfrs)
Chevron Texaco	Richmond	Engineers-Petroleum Refining & Trnsmss
Chevron Texaco Downstream	San Ramon	Service Stations-Gasoline & Oil
Contra-Costa Regional Med Ctr	Martinez	Government Offices-County
Doctor's Medical Ctr	San Pablo	Drug Abuse & Addiction Info & Treatment
Irwin Home Equity Corp	San Ramon	Real Estate Loans
John Muir Medical Ctr	Walnut Creek	Emergency Medical & Surgical Service
Kaiser Permanente Medical Ctr	Martinez	Health Plans
Kaiser Permanente Medical Ctr	Walnut Creek	Hospitals
Martinez Refining Co	Martinez	Petroleum Products-Manufacturers
Mt Diablo Medical Ctr	Concord	Rehabilitation Services
Muirlab	Walnut Creek	Laboratories-Medical
Nordstrom	Walnut Creek	Department Stores
Oakley Muffler Svc	Oakley	Automobile Repairing & Service
Pmi Mortgage Insurance Co	Walnut Creek	Insurance-Mortgage
Richmond City Hall	Richmond	City Government-Executive Offices
Richmond City Offices	Richmond	Government Offices-City, Village & Twp
San Ramon Regional Medical Ctr	San Ramon	Hospitals
St Mary's College-California	Moraga	Schools-Universities & Colleges Academic
Sutter Delta Medical Ctr	Antioch	Hospitals
Tesoro Refining & Marketing Co	Pacheco	Convenience Stores
United Realty & Mortgage	Concord	Real Estate
Uss-Posco Industries	Pittsburg	Steel Mills

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database.

Construction

The following tables show a five year summary of the valuation of building permits issued in the City and the County.

CITY OF BRENTWOOD Building Permit Valuation (Valuation in Thousands of Dollars)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>Permit Valuation</u>					
New Single-family	\$226,709.5	\$326,206.8	\$260,659.7	\$271,770.0	\$301,457.8
New Multi-family	0.0	0.0	0.0	19,093.3	4,089.8
Res. Alterations/Additions	<u>1,605.0</u>	<u>1,445.0</u>	<u>1,189.9</u>	<u>2,551.8</u>	<u>2,926.1</u>
Total Residential	228,314.1	327,651.8	261,849.6	293,415.1	308,473.7
New Commercial	5,245.6	11,179.7	23,395.9	33,637.2	13,319.3
New Industrial	0.0	2,758.2	1,626.4	5,113.1	7,453.0
New Other	6,053.1	14,932.5	10,444.3	14,130.6	21,133.3
Com. Alterations/Additions	<u>546.6</u>	<u>5,122.1</u>	<u>3,353.5</u>	<u>13,076.4</u>	<u>6,502.3</u>
Total Nonresidential	11,845.2	33,992.6	38,820.1	65,957.4	48,407.9
<u>New Dwelling Units</u>					
Single Family	1,255	1,689	1,361	1,306	1,413
Multiple Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>226</u>	<u>82</u>
TOTAL	1,255	1,689	1,361	1,532	1,495

Source: Construction Industry Research Board, Building Permit Summary.

CONTRA COSTA COUNTY Building Permit Valuation (Valuation in Thousands of Dollars)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>Permit Valuation</u>					
New Single-family	\$917,084.8	\$1,219,607.6	\$1,263,359.9	\$1,113,572.4	\$1,525,515.3
New Multi-family	81,836.2	60,107.3	190,449.4	123,332.9	106,511.5
Res. Alterations/Additions	<u>171,687.4</u>	<u>213,248.0</u>	<u>230,427.8</u>	<u>233,108.3</u>	<u>293,394.4</u>
Total Residential	1,170,608.4	1,492,962.9	1,684,237.2	1,470,013.6	1,925,421.2
New Commercial	262,716.8	134,262.0	128,738.0	102,549.3	87,900.5
New Industrial	8,832.2	9,316.4	33,047.1	17,421.4	21,155.9
New Other	88,750.3	87,959.0	53,034.2	68,104.1	122,625.7
Com. Alterations/Additions	<u>164,672.5</u>	<u>143,627.8</u>	<u>197,298.8</u>	<u>187,108.9</u>	<u>161,187.6</u>
Total Nonresidential	524,971.8	375,165.2	412,118.0	375,183.8	392,869.7
<u>New Dwelling Units</u>					
Single Family	4,152	5,076	4,965	4,222	5,452
Multiple Family	<u>984</u>	<u>729</u>	<u>1,930</u>	<u>1,261</u>	<u>860</u>
TOTAL	5,136	5,805	6,895	5,483	6,312

Source: Construction Industry Research Board, Building Permit Summary.

Utilities

Gas and electric service in the City is provided by Pacific Gas & Electric. Telephone service is provided by AT&T. Water is supplied by City wells and the East Bay Municipal Utility District through the City water lines and filtration plant. Sewer service is supplied by the City.

Education

The City is part of the Brentwood and Liberty Union High School District which provide K-12 public education needs. There are three high schools, two junior highs and seven elementary schools located in the City.

Near the City are four colleges: Los Medanos Community College in Pittsburg, Diablo Valley Community College in Concord, Cal State East Bay in Concord and San Joaquin Delta Community College and University of the Pacific in Stockton.

Transportation

The City, located near the cities of Antioch and Stockton, is in close proximity to a highly developed transportation network. State Highway 4 runs in an east/west direction through the City, intersecting Interstate 680 near Martinez and Interstate 80 in Hercules. To the east, Highway 4 leads to Stockton where it intersects with Interstate 5. The highways provide the City with access to major regional workplace and recreation areas. The City is close to both regional and international airports — Concord Airport, Stockton Airport and Oakland International Airport.

Proximity to Major Urban Centers

Proximity	Distance	Time
Antioch to Brentwood	10 miles	15 minutes
Concord to Brentwood	26 miles	30 minutes
Oakland to Brentwood	46 miles	50 minutes
Stockton to Brentwood	37 miles	30 minutes
San Francisco to Brentwood	54 miles	80 minutes
Sacramento to Brentwood	75 miles	90 minutes

Source: City of Brentwood

The City is also served by bus lines and railroads. Bay Area Rapid Transit ("BART") provides a bus service from Antioch connecting to the existing Concord BART station. BART stations in West Pittsburg and Pittsburg have recently opened, further extending the rapid transit system into the east County area.

Contra Costa County

Situated northeast of San Francisco, Contra Costa County (the "County") is bounded by San Francisco and San Pablo Bays, the Sacramento River Delta, and by Alameda County on the south. Ranges of hills effectively divide the County into three distinct regions. The western portion, with its access to water, contains much of the County's heavy industry. The central section is rapidly developing from a suburban area into a major commercial and financial headquarters center. The eastern part is also undergoing substantial change, from a rural, agricultural area, to a suburban region. The County has extensive and varied transportation facilities-ports accessible to ocean-going vessels, railroads, freeways, and rapid transit lines connecting the area with Alameda County and San Francisco.

The County is home to over 1,000,000 people and thousands of businesses who are served by 18 cities, 201 special districts and the County. The County also provides municipal services for residents of unincorporated areas.

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APPENDIX D

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

The following is a summary of certain provisions of the Trust Agreement, the Local Obligation Resolution, and the Funding and Acquisition Agreements pertaining to the Bonds. This summary is supplemental to the summary of other provisions of such documents contained elsewhere in this Official Statement and is not intended to be definitive. Reference is directed to such documents for the complete text thereof. Copies of such documents are available from the City of Brentwood.

Trust Agreement

Definitions

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

“Act” shall mean Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended and supplemented from time to time.

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

“Appraisal” shall mean, with respect to Assessed Parcels (i) an opinion of value of an independent appraiser who is a Member of the Appraisal Institute (“MAI”) and is credentialed by the State of California Office of Real Estate Appraisers or (ii) the assessed value (land and improvements) shown on the most recent equalized assessment roll of the County of Contra Costa.

“Assessed Parcel” shall mean a parcel of property which is within any CIPF 2006-1 District and upon which is levied assessments securing Local Obligations.

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

“Authorized Officer”, when used with reference to the Issuer, shall mean the Chair, Vice-Chair, Treasurer/Controller or any other Person authorized by the Issuer in a Written Order or resolution to perform an act or sign a document on behalf of the Issuer for purposes of the Trust Agreement, and, when used with reference to the Local Agency, shall mean the City Manager, the City Treasurer, Director of Finance, or any other Person authorized by the Local Agency in a Written Order or resolution to perform an act or sign a document on behalf of the Local Agency for the purposes of the Trust Agreement.

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

“Blanket Letter of Representations” shall mean the letter of the Issuer and the Trustee delivered to and accepted by the Depository on or prior to the issuance of the Bonds setting forth the basis on which the Depository serves as depository for such Bonds as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute depository.

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

"Bond Register" shall mean the registration books specified as such in the Trust Agreement.

"Bonds" shall mean any Bond or all of the Bonds of the Brentwood Infrastructure Financing Authority, CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006, authorized and issued by the Issuer and authenticated by the Trustee and delivered under the Trust Agreement.

"Book-Entry Bonds" shall mean any Bonds designated as Book-Entry Bonds pursuant to the Trust Agreement and registered in the name of the Nominee pursuant to the Trust Agreement.

"Business Day" shall mean any day other than (i) a Saturday or Sunday or (ii) a day on which the Corporate Trust Office of the Trustee is closed.

"Cash Flow Certificate" shall mean a written certificate executed by a Cash Flow Consultant.

"Cash Flow Consultant" shall mean RBC Capital Markets; provided, that the Local Agency may appoint a different Cash Flow Consultant with the consent of the Owners of at least 60% in aggregate principal amount of Outstanding Bonds. In the event a different Cash Flow Consultant is appointed, the Cash Flow Consultant shall be a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field relating to municipal securities such as the Bonds, appointed and paid by the Local Agency or the Issuer and who, or each of whom:

- (1) is in fact independent and not under the domination of the Local Agency or the Issuer;
- (2) does not have any substantial interest, direct or indirect, with the Local Agency or the Issuer; and
- (3) is not connected with the Local Agency or the Issuer as a member, officer or employee of the Local Agency or the Issuer, but who may be regularly retained to make annual or other reports to the Local Agency or the Issuer.

The Cash Flow Consultant shall not be deemed to have a "financial advisory relationship" with the Issuer within the meaning of California Government Code Section 53590(c).

"Chair" shall mean the Chair of the Issuer.

"CIFP 2006-1" shall mean Capital Improvement Financing Plan 2006-1, adopted by the Local Agency on July 11, 2006, as amended and supplemented from time to time.

"CIFP 2006-1 District" shall mean Assessment District No. 2006-1, City of Brentwood, Contra Costa County, California, established by the Local Agency, as it may be modified or subdivided from time to time by the Local Agency.

"City Manager" shall mean the City Manager of the Local Agency.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

"Continuing Disclosure Agreement" shall mean that certain Continuing Disclosure Agreement, dated as of the date of delivery of the Bonds, by and between the Local Agency and the Trustée.

"Corporate Trust Office" shall mean the office of the Trustee in San Francisco, at which at any particular time corporate trust business shall be administered, or such other office as it shall designate, except that with respect to presentation of Bonds for payment, transfer or exchange, such term shall mean the corporate trust office of U.S. Bank National Association in St. Paul, Minnesota.

"Dated Date" shall mean the dated date of the Bonds.

"Depository" shall mean the securities depository acting as Depository pursuant to the Trust Agreement.

"Developer" means each of the following developers, who own or control (under option) property within the CIPF 2006-1 District: Barrington Estates, LLC, Passport Homes, Inc., West Coast Home Builders, Inc. and Pulte Home Corporation.

"Director of Finance" shall mean the Director of Finance and Information Systems of the City.

"DTC" shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

"Event of Default" shall mean any event of default specified as such in the Trust Agreement.

"Expense Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Expenses" shall mean all costs of issuing the Bonds and the Local Obligations and all administrative costs of the Local Agency or the Issuer that are charged directly or apportioned to the administration of the Local Obligations and the Bonds, such as salaries and wages of employees, audits, overhead and taxes (if any), legal and financial consultant fees and expenses, amounts necessary to pay to the United States of America or otherwise to satisfy requirements of the Code in order to maintain the tax-exempt status of the Bonds, and compensation, reimbursement and indemnification of the Trustee, together with all other reasonable and necessary costs of the Local Agency or the Issuer or charges required to be paid by it to comply with the terms of any refunding escrow agreement, the Trust Agreement, or the Bonds or in connection with the acquisition of the Local Obligations.

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

"Funds" shall mean, collectively, the Revenue Fund, the Interest Fund, the Principal Fund, the Redemption Fund, the Reserve Fund, the Proceeds Fund, the Local Obligation Fund, the Expense Fund and the Rebate Fund, including all accounts therein.

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

"Information Services" shall mean the following information services: (i) Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor, (ii) Kenny Information Services "Called Bond Service," 65 Broadway Street, 28th Floor, New York, New York 10004, (iii) Moody's "Municipal and Government," 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports, and (iv) Standard and Poor's "Called Bond Record," 25 Broadway, 3rd Floor, New York, New York 10004; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds, or no such services, as the Issuer may designate in an Officer's Certificate delivered to the Trustee.

"Interest Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Interest Payment Date" shall mean March 2 and September 2 in each year, commencing on March 2, 2007.

"Investment Securities" shall mean and include any of the following securities, to the extent permitted by the laws of the State.

(i) Direct obligations (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and obligations of the Government National Mortgage Association), or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(ii) Bonds, debentures or notes or other evidence of indebtedness payable in cash issued by the United States Treasury which represents the full faith and credit of the United States of America or the following Federal agencies: Federal Home Loan Bank, Export Import Bank of the United States, Federal Financing Bank, Federal Farm Credit Bank, Farmer's Home Administration, Federal Housing Administration, Maritime Administration, Public Housing Corporation, Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(iii) Certificates of deposit issued by commercial banks, state banking corporations (including the Trustee or any of its affiliates), savings and loan associations and mutual savings banks and properly secured at all times by collateral security described in (i) or (ii) above and rated at least "A" or better by S&P.

(iv) The following investments fully insured by the Federal Deposit Insurance Corporation ("FDIC"): (a) certificates of deposit, (b) savings accounts, (c) deposit accounts, or (d) depository receipts of banks, state banking corporations (including the Trustee or any of its affiliates), savings and loan associations and mutual savings banks.

(v) Repurchase agreements or collateralized investment agreements with banks, state banking corporations, savings and loan associations, or any broker-dealer with "retail customers" which falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC), provided that: (a) the collateralization is at least one hundred six percent (106%), valued monthly, with remaining terms and maturities less than or equal to one year, (b) the Trustee or a third party on behalf of the Trustee will have possession of such obligations, (c) the Trustee will have perfected a first priority security interest in such obligations, (d) such obligations are free and clear of claims of third parties, and (e) failure to maintain the requisite collateral percentage will require the Trustee to liquidate the collateral, and (f) eligible collateral will include: (I) direct obligations of the Department of the Treasury of the United States of America, (including obligations of the Government National Mortgage Association), and (II) bonds, debentures or notes or other evidence of indebtedness payable in cash issued by any one or a combination of any of the following federal agencies: the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(vi) Money market funds rated at least "A" or better by S&P, or money market funds comprised of obligations described in clause (i) above (or repurchase agreements or interest rate swap agreements collateralized by such obligations) including funds for which the Trustee, its parent and affiliates provide investment advisory or other management services.

(vii) Investment agreements or contracts issued by entities whose long-term debt or claims paying ability of which are rated in one of the top two long-term rating categories by S&P in form acceptable to the Issuer, provided that any such contract or agreement shall in any event provide that if the investment rating assigned to the long term unsecured debt obligations of the financial institution by S&P falls below "A", the Trustee shall require immediate repayment of all funds invested thereunder, with prior notification to S&P.

(viii) Tax-exempt obligations rated in either of the two highest rating categories by S&P, including money market funds comprised solely of such obligations.

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

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

Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State of California, as it may be amended; provided that such shares are held in the name and to the credit of the Trustee.

"Issuer" shall mean the Brentwood Infrastructure Financing Authority, a joint exercise of powers agency established pursuant to a Joint Exercise of Powers Agreement, dated March 14, 1995, as amended and restated as of December 1, 2001, by and between the Local Agency and the Redevelopment Agency of the City of Brentwood, and the laws of the State, and its successors.

"Lien Amount" means, with respect to any Assessed Parcel, the sum of (A) the aggregate principal amount of the Local Obligations attributable to such Assessed Parcel plus (B) the aggregate principal amount of bonds, notes or other evidences of indebtedness other than the Local Obligations then outstanding and payable from assessments to be levied on such Assessed Parcel, plus (C) a portion of the aggregate principal amount of bonds, notes or other evidences of indebtedness issued under the Mello-Roos Community Facilities District Act of 1982 and payable at least partially from special taxes to be levied on the Assessed Parcel (except to the extent such special taxes are made expressly subordinate to the assessments securing Local Obligations) (the "Other Mello-Roos Bonds") equal to the aggregate principal amount of the Other Mello-Roos Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other Mello-Roos Bonds on the Assessed Parcel and the denominator of which is the total amount of special taxes levied for the Other Mello-Roos Bonds on all parcels of land securing the Other Mello-Roos Bonds (such fraction to be determined based upon the maximum special taxes which could be levied the year in which maximum annual debt service on the Other Mello-Roos Bonds occurs), based upon information from the most recent available fiscal year.

"Local Agency" shall mean the City of Brentwood, California, and its successors.

"Local Obligation Fund" shall mean the fund by that name established pursuant to the Trust Agreement.

"Local Obligation Resolution" shall mean the resolution adopted by the City Council of the Local Agency on July 11, 2006, and providing for the issuance of the Local Obligations upon the security of unpaid assessments in the CIFP 2006-1 District and all resolutions supplemental thereto.

"Local Obligation Revenue" shall mean all moneys collected and received by the Local Agency on account of unpaid assessments, or reassessments, or securing Local Obligations including amounts collected in the normal course via the Contra Costa County property tax roll and thereafter remitted to the Local Agency, Property Owner Prepayments, and amounts received by the Local Agency or a result of superior court foreclosure proceedings brought to enforce payment of delinquent installments, but excluding therefrom any amounts explicitly included therein on account of collection charges, administrative cost charges, or attorneys fees and costs paid as a result of foreclosure actions.

"Local Obligation Statute" shall mean the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code (being Section 8500 and following thereof).

"Local Obligations" shall mean the City of Brentwood Limited Obligation Improvement Bonds, Assessment District No. 2006-1 issued under the Local Obligation Statute for the CIFP 2006-1 District and acquired with the proceeds of the Bonds pursuant to the Trust Agreement.

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

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

"Officer's Certificate" shall mean a certificate signed by an Authorized Officer.

"Opinion of Bond Counsel" shall mean a legal opinion signed by a Bond Counsel.

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

- (a) Bonds canceled or surrendered to the Trustee for cancellation pursuant to the Trust Agreement;
- (b) Bonds deemed to have been paid as provided in the Trust Agreement; and
- (c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Trust Agreement.

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

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

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

"Principal Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Principal Installment" shall mean, with respect to any Principal Payment Date, the principal amount of Outstanding Bonds due on such date, or mandatory sinking account payment required to be paid on any Principal Payment Date and used to redeem a portion of any Bond on such date, if any.

"Principal Payment Date" shall mean September 2 of each year commencing September 2, 2007, and ending on the last date on which any Bonds are scheduled to mature.

"Proceeds Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Property Owner Prepayments" shall mean that portion of Revenues which are initially paid to the Local Agency by or on behalf of a property owner to accomplish pay-off and discharge of a lien securing the Local Obligations (except the portion, if any, of such Revenues which represents accrued interest on the Local Obligations) and which are thereafter transmitted by the Local Agency to the Trustee, as assignee of the Issuer with respect to the Local Obligations, for deposit in the Redemption Fund for application in accordance with the Trust Agreement.

"Rebate Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Rebate Instructions" shall mean those calculations and directions required to be delivered to the Trustee by the Issuer pursuant to the Tax Certificate.

"Rebate Requirement" shall mean the Rebate Requirement defined in the Tax Certificate.

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

"Redemption Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Requisition of the Issuer" shall mean a requisition of the Issuer delivered to the Trustee pursuant to the Trust Agreement.

"Reserve Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Reserve Requirement" shall mean, as of any date of calculation, Maximum Annual Debt Service on all then Outstanding Bonds; provided, that as of the date of issuance of the Bonds, the amount required to be deposited in the Reserve Fund shall not exceed the lesser of (i) Maximum Annual Debt Service on the Bonds, (ii) 125% of average Annual Debt Service on the Bonds, or (iii) 10% of the amount (within the meaning of Section 148 of the Code) of the Bonds.

"Revenue Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

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

"Secretary" shall mean the Secretary of the Issuer, or the deputy thereof.

"Securities Depositories" shall mean The Depository Trust Company or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as the Authority may designate in an Officer's Certificate delivered to the Trustee.

"Series" shall mean, when used with reference to the Bonds, all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Trust Agreement and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Trust Agreement.

"S&P" shall mean Standard and Poor's Ratings Group, and its successors.

"Special Record Date" shall mean the date established by the Trustee pursuant to the Trust Agreement as a record date for the payment of defaulted interest on the Bonds.

"State" shall mean the State of California.

"Supplemental Trust Agreement" shall mean any trust agreement supplemental to or amendatory of the Trust Agreement which is duly executed and delivered in accordance with the provisions of the Trust Agreement.

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

"Treasurer" shall mean the Treasurer/Controller of the Issuer.

"Trust Agreement" shall mean the Trust Agreement dated as of August 1, 2006, among the Local Agency, the Issuer and the Trustee, pursuant to which the Bonds are to be issued, as amended or supplemented from time to time in accordance with its terms.

"Trust Estate" shall have the meaning ascribed thereto in the granting clause hereof.

"Trustee" shall mean U.S. Bank National Association, a national banking association, duly organized and existing under the laws of the United States, in its capacity as trustee hereunder, and any successor as trustee under the Trust Agreement.

"Vice-Chair" shall mean the Vice-Chair of the Issuer.

"Written Order", when used with reference to the Issuer, shall mean a written direction of the Issuer to the Trustee signed by an Authorized Officer, and, when used with reference to the Local Agency, shall mean a written direction of the Local Agency to the Trustee signed by an Authorized Officer.

Funds and Accounts

Establishment of Funds and Accounts

The Trust Agreement provides for the establishment of the following special trust funds and accounts to be held and administered by the Trustee: the Revenue Fund, the Interest Fund, the Principal Fund, the Redemption Fund, the Proceeds Fund, the Reserve Fund, the Expense Fund, the Local Obligation Fund and the Rebate Fund.

Proceeds Fund. The Trustee shall deposit into the Proceeds Fund proceeds of the Bonds in the amount as set forth in the Trust Agreement, which amount shall be applied by the Trustee to the purchase of Local Obligations. If any amounts shall remain in the Proceeds Fund following such purchase, such amounts shall be deposited by the Trustee into the Revenue Fund and the Proceeds Fund shall thereupon be closed.

Local Obligation Fund.

All Local Obligations acquired by the Trustee pursuant to the Trust Agreement shall be deposited into the Local Obligation Fund to be maintained by the Trustee.

Revenue Fund. All Revenues, other than Revenues derived from Property Owner Prepayments, received by the Trustee shall be deposited by the Trustee into the Revenue Fund. Not later than five (5) Business Days prior to each Interest Payment Date and Principal Payment Date on the Bonds, the Trustee shall transfer Revenues from the Revenue Fund for deposit into the respective funds pursuant to provisions in the Trust Agreement.

Revenues Derived From Property Owner Prepayments.

(a) The Local Agency and the Issuer acknowledge that the Local Obligation Statute requires that amounts received by the Local Agency on account of Property Owner Prepayments shall be utilized for the sole purpose of prior redemption of Local Obligations and not to pay current, scheduled debt service payments on the Local Obligations.

(b) The Issuer covenants for the benefit of the Owners that, as to each separate date upon which Bonds are to be redeemed from the proceeds of Property Owner Prepayments, the Written Orders of the Issuer required pursuant to the Trust Agreement shall as nearly as possible apply such Local Obligations to the redemption of Bonds.

(c) All Revenues derived from Property Owner Prepayments received by the Trustee shall be immediately deposited in the Redemption Fund to be used to redeem Bonds pursuant to the Trust Agreement.

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

Principal Fund. Having first satisfied the requirements as set forth in the Trust Agreement respecting deposits in the Interest Fund, the Trustee shall next deposit in the Principal Fund before each Principal Payment Date from the Revenue Fund an amount of Revenues which together with any amounts then on deposit in said Principal Fund (other than amounts previously deposited on account of any Bonds which have matured but

which have not been presented for payment), is sufficient to pay the Principal Installments on the Bonds when due on such Principal Payment Date. The Trustee shall pay the Principal Installments when due upon presentation and surrender of the subject Bonds.

Reserve Fund.

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

(b) Upon any partial redemption of the Bonds pursuant to the Trust Agreement, the Trustee shall withdraw an amount from the Reserve Fund equal to the reduction in the Reserve Requirement specified in the Written Order of the Issuer delivered in connection with such redemption pursuant to the Trust Agreement and transfer such amount to the Redemption Fund.

In the event of a redemption of Local Obligations resulting from a Property Owner Prepayment, the Trustee shall transfer to the Redemption Fund from the Reserve Fund an amount equal to the proportionate share of the Reserve Fund allocable to such prepayment, as specified in such Officer's Certificate.

(c) Except as provided in the Trust Agreement, the Trustee shall retain in the Reserve Fund all earnings on amounts on deposit in the Reserve Fund which amounts shall be applied as provided in the Trust Agreement.

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

(e) Having first satisfied the requirements of the foregoing in the Trust Agreement respecting deposits in the Interest Fund and the Principal Fund, respectively, the Trustee shall next deposit in the Reserve Fund an amount of Revenues which, together with any other amounts on deposit in the Reserve Fund, equal the Reserve Requirement.

Expense Fund. The Trustee shall deposit in the Expense Fund the amount transferred to the Expense Fund pursuant to the Trust Agreement. In addition, having first satisfied the requirements as set forth in the Trust Agreement respecting deposits in the Interest Fund, the Principal Fund and the Reserve Fund, respectively, the Trustee shall next deposit in the Expense Fund from Revenues an amount specified in a Written Order of the Issuer delivered pursuant to the Trust Agreement.

Transfer to Local Agency. Having first satisfied the requirements of the foregoing respecting deposits in the Interest Fund, Principal Fund, Reserve Fund and Expense Fund, respectively, the Trustee shall transfer any remaining Revenues to the Local Agency. All amounts transferred to the Local Agency pursuant to the Trust Agreement shall be applied to pay the cost of public capital improvements of the Local Agency or other governmental body in accordance with the Tax Certificate.

Redemption Fund.

(a) All moneys held in or transferred to the Redemption Fund pursuant to the Trust Agreement shall be used for the purpose of redeeming or purchasing all or a portion of the Outstanding Bonds pursuant to the Trust Agreement.

(b) The Trustee shall use amounts in the Redemption Fund for the payment of the redemption price of the Bonds called for redemption pursuant to the Trust Agreement or the purchase price of Bonds purchased pursuant to the Trust Agreement, together with accrued interest to the redemption or purchase date.

Rebate Fund. The Trustee agrees to establish and maintain a fund separate from any other fund established and maintained under the Trust Agreement designated the Rebate Fund. The Trustee shall deposit in the Rebate Fund, from funds made available by the Issuer, the Rebate Requirement, all in accordance with Rebate Instructions received from the Issuer. The Trustee will apply moneys held in the Rebate Fund as provided in the Trust Agreement and according to instructions provided by the Issuer. Subject to the provisions of the Trust Agreement, moneys held in the Rebate Fund are pledged to secure payments to the United States of America. The Issuer and the Owners will have no rights in or claim to such moneys. The Trustee will invest all amounts held in the Rebate Fund in Investment Securities as directed in writing by the Issuer and all investment earnings with respect thereto shall be deposited in the Rebate Fund.

Notwithstanding any other provision of the Trust Agreement, including in particular Article XII thereof pertaining to defeasance, the obligation to remit the rebate amounts to the United States and to comply with all other requirements of the Trust Agreement, and the Tax Certificate shall survive the defeasance or payment in full of the Bonds.

Security for and Investment of Moneys

Security. All moneys required to be deposited with or paid to the Trustee in any of the Funds (other than the Rebate Fund) referred to in any provision of the Trust Agreement shall be held by the Trustee in trust, and except for moneys held for the payment or redemption of Bonds or the payment of interest on Bonds pursuant to the Trust Agreement, shall, while held by the Trustee, constitute part of the Trust Estate and shall be subject to the lien and pledge created by the Trust Agreement.

Investment of Funds.

(a) So long as the Bonds are Outstanding and there is no default under the Trust Agreement, moneys on deposit to the credit of the Redemption Fund, the Revenue Fund, the Interest Fund, the Principal Fund, the Reserve Fund and all accounts within such funds (other than amounts invested in Local Obligations) shall, at the request of an Authorized Officer of the Issuer in writing, be invested by the Trustee in Investment Securities having maturities or otherwise providing for availability of funds when needed for purposes of the Trust Agreement, and moneys held in the Rebate Fund shall, at the request of an Authorized Officer of the Issuer in writing, be invested by the Trustee in Government Obligations having maturities or otherwise providing for availability of funds when needed for purposes of the Trust Agreement. The Trustee shall notify the Issuer in writing prior to the date moneys will be available for investment. The Authorized Officer of the Issuer, in issuing such written instructions, shall comply with the provisions of the Tax Certificate. In the absence of written instructions from the Authorized Officer of the Issuer regarding investment, such funds shall be invested in investments described in clause (vi) of the definition of Investment Securities. The Trustee or any of its affiliates may act as principal or agent in the acquisition or disposition of investments.

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

(c) Notwithstanding anything to the contrary contained in the Trust Agreement, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the Fund (or account) from which such accrued interest was paid.

The securities purchased with the moneys in each such Fund shall be deemed a part of such Fund. If at any time it shall become necessary or appropriate that some or all of the securities purchased with the moneys in any such Fund be redeemed or sold in order to raise moneys necessary to comply with the provisions of the Trust Agreement, the Trustee shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same.

Investments in the Revenue Fund, the Interest Fund, the Principal Fund, the Reserve Fund and the Redemption Fund, may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions in the Trust Agreement for transfer to or holding in particular Funds amounts received or held by the Trustee.

(d) All earnings on the investment of the moneys on deposit in any fund shall remain a part of such fund; provided that, in the event the amount on deposit in the Reserve Fund is equal to the Reserve Requirement, then earnings on the investment of moneys on deposit in the Reserve Fund shall be transferred to the Local Agency for deposit in the Local Obligation Redemption Fund held by the Trustee under the Trust Agreement.

Covenants of the Issuer

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

Covenant Respecting Redemption Funds for the Local Obligations.

(a) The Local Agency expressly acknowledges that, pursuant to the Local Obligation Statute and the Local Obligation Resolution pursuant to which the Local Obligations are issued by the Local Agency and sold to the Issuer, the Local Agency is legally obligated to establish and maintain a separate redemption fund for the Local Obligations (the "Local Obligation Redemption Fund") which, for the Local Obligations, is held by the Treasurer of the Local Agency under the Local Obligation Resolution and, so long as any part of Local Obligations remains outstanding, to deposit into the Local Obligation Redemption Fund, upon receipt, any and all Local Obligation Revenues received by the Local Agency. The Local Agency further acknowledges that, pursuant to the Local Obligation Statute and the Local Obligation Resolution, no temporary loan or other use whatsoever may be made of the Local Obligation Revenues, and the Local Obligation Redemption Fund constitutes a trust fund for the benefit of the owners of the Local Obligations.

(b) The Local Agency covenants for the benefit of the Issuer, as owner of the Local Obligations, the Trustee, as assignee of the Issuer with respect to the Local Obligations, and the Owners from time to time of the Bonds, that it will establish, maintain and administer the Local Obligation Redemption Fund and the Local Obligation Revenues in accordance with their status as trust funds as prescribed by the Local Obligation Statute, the Local Obligation Resolution, and the Trust Agreement.

(c) The Local Agency further covenants that, no later than ten (10) Business Days prior to each Interest Payment Date and Principal Payment Date on the Bonds, the Local Agency will advance to the Trustee against payment on the Local Obligations, as assignee of the Issuer with respect to the Local Obligations, the interest due on the Local Obligations on such Interest Payment Date and the principal of all Local Obligations maturing on such Principal Payment date, respectively, and upon receipt by the Trustee, such amounts shall constitute Revenues.

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

The Local Agency, the Issuer and the Trustee may, without the consent of or notice to the Owners consent to any amendment, change or modification of any Local Obligation that may be required (a) to conform to the provisions of the Trust Agreement (including any modifications or changes contained in any Supplemental Trust Agreement), (b) for the purpose of curing any ambiguity or inconsistency or formal defect or omission, (c) so as to add additional rights acquired in accordance with the provisions of such Local Obligation, (d) in connection with any other change therein which is not to the material prejudice of the Trustee or the Owners of the Bonds pursuant to

an Opinion of Bond Counsel, (e) in the Opinion of Bond Counsel, to preserve or assure the exemption of interest on the Local Obligation or the Bonds from federal income taxes or the exemption from California personal income tax or (f) any other amendment to the Local Obligation Resolution (or consent to any change or modification of the applicable CIFP 2006-1 District), including a change to the method of apportionment of assessment), provided, that (i) no territory outside the exterior boundaries of the applicable CIFP 2006-1 District (as originally formed) may be assessed to secure any Local Obligation, (ii) the Trustee shall have received a certificate of the Cash Flow Consultant to the effect that, after giving effect to the change or modification, the value of each Assessed Parcel as shown by an Appraisal is at least equal to three (3) times the Lien Amount.

Except for amendments, changes or modifications provided for as described above, neither the Local Agency, the Issuer nor the Trustee shall consent to any amendment, change or modification of any Local Obligation without the mailing of notice and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and procured as provided in the Trust Agreement. If at any time the Issuer and the Local Agency, as the case may be, shall request the consent of the Trustee to any such proposed amendment, change or modification of a Local Obligation, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be mailed as provided by the Trust Agreement. These provisions shall not be construed to prevent the Trustee, with the consent of the Issuer, from settling a default under any Local Obligation on such terms as the Trustee may determine to be in the best interests of the Owners.

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

Tax Covenants.

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

(b) The Issuer and the Local Agency will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Issuer or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the Issuer and the Local Agency will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds. In the event that at any time the Issuer is of the opinion that in order to comply with this covenant it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee, the Issuer will so instruct the Trustee in writing, and the Trustee will take such actions as directed by such instructions.

(c) The Issuer will pay or cause to be paid the Rebate Requirement as provided in the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds. The Issuer will cause the Rebate Requirement to be deposited in the Rebate Fund as provided in the Tax Certificate.

The Trustee will conclusively be deemed to have complied with the provisions of these covenants including the provisions of the Tax Certificate if it follows the directions of the Issuer set forth in the Tax Certificate and the Rebate Instructions and shall not be required to take any actions in the absence of Rebate Instructions from the Issuer.

(d) Notwithstanding any provision of the foregoing covenants, if the Issuer shall provide to the Trustee an Opinion of Bond Counsel that any specified action required under the covenants is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income

tax purposes of interest with respect to the Bonds, the Trustee and the Issuer may conclusively rely on such Opinion in complying with the requirements of the foregoing covenants, and such covenants shall be deemed to be modified to that extent.

- (e) These covenants shall survive the defeasance of the Bonds.

Maintenance of Existence. The Issuer shall maintain the existence, powers and authority of the Issuer as a joint powers authority under California law.

No Additional Local Obligations. The Local Agency covenants for the benefit of the Owners that so long as any Bonds remain Outstanding, it will not issue any additional Local Obligations payable from or secured by the assessments within the CIPF 2006-1 District.

Continuing Disclosure. The Local Agency and the Trustee covenant and agree that they will comply with and carry out all of their respective obligations under the Continuing Disclosure Agreement. Any provisions of the Continuing Disclosure Agreement may, however, be modified or waived only if there is filed with the Trustee and the Local Agency an Opinion of Bond Counsel to the effect that such modification or waiver will not, in and of itself, cause the undertakings in the Continuing Disclosure Agreement to no longer satisfy the requirements of Securities Exchange Commission Rule 15c2-12(b)(5). Notwithstanding any other provision of the Trust Agreement, failure of the Local Agency or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default and shall not be deemed to create any monetary liability on the part of the Local Agency or the Trustee to any other persons, including Owners; however, any Owner or beneficial owner of the Bonds or the Trustee, at the written request of the Owners of at least 25% aggregate principal amount in Outstanding Bonds, the Trustee shall, but only to the extent funds or other indemnity in an amount satisfactory to the Trustee have been provided to it to hold the Trustee harmless from any loss, cost, liability or expenses and additional charges of the Trustee and fees and expenses of its attorneys, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Local Agency or the Trustee, as the case may be, to comply with its obligations under this covenant.

Defaults and Remedies

Events of Default. The following shall constitute "Events of Default:"

- (a) if payment of interest on the Bonds shall not be made when due; or
- (b) if payment of any Principal Installment shall not be made when due and payable, whether at maturity, by proceedings for redemption, or otherwise; or
- (c) if the Issuer or the Local Agency shall fail to observe or perform in any material way any other agreement, condition, covenant or term contained in the Trust Agreement on its part to be performed, and such failure shall continue for thirty (30) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer or the Local Agency, as the case may be, by the Trustee or by the Owner(s) of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, provided, that if such default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Local Agency within the applicable period and diligently pursued until the default is corrected.

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

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners, including the right to receive and collect the Revenues;

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

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

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

Rights of Owners. Anything in the Trust Agreement to the contrary notwithstanding, subject to the limitations and restrictions as to the rights of the Owners in the Trust Agreement, upon the happening and continuance of any Event of Default, the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have the right to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Trust Agreement.

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

Restriction on Owner's Action. In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in the Trust Agreement, no Owner of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust under the Trust Agreement, or any other remedy under the Trust Agreement or on the Bonds, unless such Owner previously shall have given to the Trustee written notice of an Event of Default as provided in the Trust Agreement and unless the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee to institute any such suit, action, proceeding or other remedy, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Trust Agreement, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case to be conditions precedent to the execution of the trusts of the Trust Agreement or for any other remedy under the Trust Agreement, it being understood and intended that no one or more Owners of the Bonds secured by the Trust Agreement shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Trust Agreement, or to enforce any rights under the Trust Agreement or under the Bonds, except in the manner provided in the Trust Agreement, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Trust Agreement, and for the equal benefit of all Owners of Outstanding Bonds except as otherwise expressly provided. Notwithstanding the foregoing or any other provision of the Trust Agreement, the obligation of the Issuer shall be absolute and unconditional to pay, but solely from the Trust Estate, the principal of and the redemption premiums, if any, on and the interest on the Bonds to the respective Owners thereof at the respective due dates thereof, and nothing in the Trust Agreement shall affect or impair the right of action, which is absolute and unconditional, of such Owners to enforce such payment.

Waiver of Events of Default; Effect of Waiver. Upon the written request of the Owners of at least a majority in aggregate principal amount of all Outstanding Bonds the Trustee shall waive any Event of Default and its consequences. The Trustee may waive any Event of Default and its consequences at any time.

Application of Moneys. Any moneys received by the Trustee as the result of exercising any of its rights in the face of an event of default shall, after payment of all fees and expenses of the Trustee, and the fees and expenses of its counsel incurred in representing the Owners, be applied as follows:

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

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

SECOND - To the payment of the Owners entitled thereto of the unpaid principal of and redemption premiums, if any, on any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of the Trust Agreement) in the order of their due dates, and if the amount available shall not be sufficient to pay in full the principal of and redemption premiums, if any, on such Bonds due on any particular date, then to the payment ratably, according to the amount due on such date, to the Persons entitled thereto without any discrimination or privilege; and

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

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

- (c) After having first satisfied all obligations to Owners of Bonds, then any remaining moneys received by the Trustee shall be transferred to the Local Agency.

- (d) Whenever moneys are to be applied pursuant to the foregoing provisions, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future.

The Trustee

The Trustee accepts and agrees to the trusts created by the Trust Agreement to all of which the Issuer agrees and the respective Owners of the Bonds, by their purchase and acceptance thereof, agree.

Duties, Immunities and Liability of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in the Trust Agreement, and no implied duties or obligations shall be read into the Trust Agreement against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by the Trust Agreement.

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

(c) The Trustee may, subject to (d) below, resign by giving written notice of such resignation to the Issuer and by giving notice of such resignation by mail, first class postage prepaid, to the Owners at the addresses listed in the Bond Register. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and shall have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee shall signify its acceptance of such appointment shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee as provided in the Trust Agreement.

(e) Any Trustee appointed shall be a trust company or bank having the powers of a trust company, having a corporate trust office in California, having a combined capital and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority.

(f) No provision in the Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties thereunder.

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

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

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

(j) The Trustee shall not be deemed to have knowledge of any Event of Default unless and until it shall have actual knowledge thereof at its corporate trust office in San Francisco, California.

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

(l) The Trustee shall provide a monthly accounting of all Funds held pursuant to the Trust Agreement (and all funds held by the Trustee as trustee or fiscal agent pursuant to any Local Obligation) to the Issuer within fifteen (15) Business Days after the end of such month and shall provide statements of account for each annual period beginning July 1 and ending June 30, within 90 days after the end of such period pursuant to the Trust Agreement.

Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the Trust Agreement shall succeed to the rights and obligations of such Trustee without the execution or filing of any paper or any further act, anything to the contrary in the Trust Agreement notwithstanding.

Liability of Trustee. The recitals of facts in the Trust Agreement and in the Bonds shall be taken as statements of the Issuer, and the Trustee does not assume any responsibility for the correctness of the same, and does not make any representations as to the validity or sufficiency of the Trust Agreement or of the Bonds, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Trust Agreement or in the Bonds assigned to or imposed upon it.

Right to Rely on Documents. The Trustee may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Trust Agreement shall be retained in its possession and shall be subject at all reasonable times upon prior notice to the inspection of the Issuer, the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Bonds, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

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

Modification of Trust Agreement and Supplemental Trust Agreements

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

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

(b) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect or inconsistent provisions contained in the Trust Agreement or in any Supplemental Trust Agreement;

- (c) to make any change which does not materially adversely affect the rights of any Owner;
- (d) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;
- (e) to subject to the Trust Agreement additional collateral or to add other agreements of the Issuer or the Local Agency;
- (f) to modify the Trust Agreement or the Bonds to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States of America; or
- (g) to evidence the succession of a new Trustee.

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

Trustee Authorized to Enter into Supplemental Trust Agreement. The Trustee is authorized to enter into any Supplemental Trust Agreement with the Issuer and the Local Agency authorized or permitted by the terms of the Trust Agreement, and to make the further agreements and stipulations which may be therein contained, and the Trustee shall be entitled to rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel to the effect that such Supplemental Trust Agreement is authorized or permitted by the provisions of the Trust Agreement.

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

Defeasance

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

Bonds Deemed to Have Been Paid. If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bonds and the interest installments therefor at the maturity or redemption date thereof, such Bonds shall be deemed to be paid within the meaning and with the effect provided in the Trust

Agreement. Any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect as described in the Trust Agreement.

Moneys Held for Particular Bonds. Except as otherwise provided in the Trust Agreement, the amounts held by the Trustee for the payment of the principal or the redemption premiums, if any, or the interest due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it solely for the Owners of the Bonds entitled thereto.

Unclaimed Money. Anything contained in the Trust Agreement to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on, or principal or redemption premiums, if any, of any Bond which remains unclaimed for two (2) years after the date when such amounts have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date such amounts have become payable, shall be paid by the Trustee to the Issuer as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Issuer for the payment of such amounts as provided in the Trust Agreement.

Summary of the Local Obligation Resolution

Pursuant to the provisions of the Municipal Improvement Act of 1913, the City Council of the City of Brentwood (hereinafter referred to as the "City" or the "Local Agency"), on May 9, 2006, adopted its Resolution of Intention No. 2006-100 (the "Resolution of Intention"), relating to the acquisition of certain proposed public improvements in an assessment district in and for the City of Brentwood designated Assessment District No. 2006-1 (the "District"). The Resolution of Intention also provided that bonds representing unpaid assessments would be issued in the manner provided by the Improvement Bond Act of 1915, Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California (the "1915 Act"). The City adopted the Local Obligation Resolution on July 11, 2006 (the "Resolution") authorizing the issuance and sale of its City of Brentwood Limited Obligation Improvement Bonds, Assessment District No. 2006-1 (the "Local Obligations") limited to the aggregate principal amount of \$17,212,332 which represents the amount of the total unpaid assessments. The net proceeds of the sale of the Local Obligations shall be utilized by the Local Agency to pay certain acquisition of public improvements in and for the District under the CIFP 2006-1.

The City determined pursuant to Section 6588(v) of the Government Code to sell the Local Obligations to the Brentwood Infrastructure Financing Authority (the "Authority") pursuant to a Local Obligation Purchase Contract by and between the City and the Authority. The City has found and determined that such sale will result in significant public benefits including demonstrable savings in effective interest rate, bond preparation, bond underwriting discount, original issue discount or bond issuance costs and more efficient delivery of local agency services to residential and commercial development.

The Local Obligations shall be issued upon the security of the aggregate amount of unpaid assessments (together with the interest thereon) and shall represent and shall be secured by said assessments in accordance with the provisions of said 1915 Act and pursuant to the provisions of the Resolution of Intention and proceedings taken thereunder. The Local Obligations shall be limited to the aggregate principal amount of \$17,212,332 as set forth in the Resolution.

The Local Obligations shall be issued as fully registered bonds, shall be of the denomination of \$1.00 or any integral multiple of \$1.00 (the "Authorized Denominations"). The Local Obligations shall be dated the date of issuance of the Local Obligations (the "Dated Date"), and shall mature and bear interest as provided in the Resolution.

The Local Obligations shall bear interest from the interest payment date next preceding the date of authentication and registration thereof, unless such date of authentication and registration is on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment

date, both inclusive, in which event they shall bear interest from such interest payment date, or unless such date of authentication and registration is on a day on or before the fifteenth (15th) day of the month next preceding the first interest payment date, in which event they shall bear interest from the date of initial issuance thereof. Interest shall be payable on the date specified in Exhibit A of the Local Obligation Purchase Contract, and thereafter semiannually on March 2 and September 2 of each year until and at the respective maturity dates of the Local Obligations.

The interest on and principal of and redemption premiums, if any, on the Local Obligations shall be payable in lawful money of the United States of America at the office of the Treasurer of the City in Brentwood, California. Payment of the interest on the Local Obligations due on or before the maturity or prior redemption thereof shall be made by check mailed to the registered owners of the Local Obligations at their addresses as they appear on the registration books maintained by the Treasurer at the close of business as of the fifteenth (15th) day of the month prior to each such interest payment date, and payment of the principal of and redemption premiums, if any, on the Local Obligations shall be made only upon surrender thereof by the registered owners thereof on their maturity dates or on redemption prior to maturity to the Treasurer.

Any Local Obligation may be redeemed in whole or in part in integral multiples of the minimum authorized denomination of the Local Obligations on the second day of March or September in any year, at the option of the City, upon payment of the principal amount thereof and interest accrued thereon to the date of redemption, together with a premium equal to three percent (3%) of such principal amount redeemed; provided, that the City shall proceed pursuant to Part 11.1 of the 1915 Act in determining those Local Obligations or portions thereof to be redeemed and the manner of the redemption thereof; and provided further, that notice of redemption of any Local Obligation shall be given by the City as provided in the 1915 Act.

Pursuant to Exhibit A to the Local Obligation Purchase Contract, one or more maturities of the Local Obligations may be term bonds which shall be subject to mandatory redemption on September 2 in the years, and in the amounts, as provided in therein. In the event terms bonds are specified, such mandatory redemptions shall be made upon notice as provided in the Resolution, shall be at a price equal to the principal amount of terms bonds to be redeemed, plus accrued interest to the redemption date, without premium and the redemption price shall be paid from the Redemption Fund. Any term bonds to be redeemed shall be selected by the Treasurer by lot in any manner the Treasurer deems fair. In the event any term bonds are redeemed in part pursuant to the optional redemption provisions of the Resolution, the scheduled amount of mandatory redemptions of such term bonds set forth in Exhibit A to the Local Obligation Purchase Contract shall be reduced proportionately.

In the Resolution, the City declares and determines that it does not obligate itself to advance, and will not advance, funds from the City treasury to cure any deficiency which may occur at any time in the Redemption Fund for the Local Obligations.

The Local Obligations shall initially be issued and registered in the name of the Trustee, as assignee of the Authority, and shall initially be issued as one Local Obligation for each maturity, as authorized in the Resolution. Ownership of the Local Obligations to any other person may be transferred pursuant to provisions in the Resolution. The City and the Treasurer shall be entitled to treat the person in whose name any such Local Obligation is registered as the owner thereof for all purposes of the Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Treasurer or the City; and the City and the Treasurer shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any persons other than the registered owners of such Local Obligations; and neither the City nor the Treasurer shall have any responsibility or obligation, legal or otherwise, to any other party, except the registered owner of any such Local Obligations.

So long as such outstanding Local Obligations are registered in the name of the Trustee, the City and the Treasurer shall cooperate with the Trustee, as sole registered owner, in effecting payment of the interest on and principal of and redemption premiums, if any, on such Local Obligations by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due in accordance with the Trust Agreement.

The Treasurer shall pay interest on the Local Obligations due on or before the maturity or prior redemption thereof to the registered owners thereof pursuant to the Resolution. The Treasurer will keep at his or her office in Brentwood, California, sufficient books for the registration, transfer and exchange of the Local Obligations.

The unpaid assessments as determined by the Treasurer and the City Council, together with interest thereon computed at the rate specified in the Local Obligations shall, in accordance with and consistent with the 1915 Act, remain and constitute a trust fund for the redemption and payment of the principal of the Local Obligations and for the interest due thereon, and said assessments and each installment thereof and the interest and penalties thereon shall constitute a lien against the lots and parcels of land on which they are made until paid. The Treasurer of the City shall annually make a record in his or her office showing the several installments of principal and interest on said assessments which are to be collected in each year during the term of the Local Obligations and shall transmit such record to the Auditor-Controller of Contra Costa County; and an annual installment of said unpaid assessments shall be payable and shall be collected in each year corresponding in amount to the amount of Local Obligations unpaid and to accrue that year, which amount shall be sufficient to pay the Local Obligations as the same become due, and an annual installment of interest on said unpaid assessments shall be payable and shall be collected in each year corresponding in amount to the amount of interest which will accrue on the Local Obligations outstanding for such year, which amount shall be sufficient to pay the interest thereon that shall become due in the next succeeding March and September. The annual portion of said unpaid assessments coming due in any year, together with the annual interest on such assessments, shall be payable in the same manner and at the same time and in the same number of installments as the general taxes on real property in Contra Costa County are payable, and said unpaid assessment installments and said annual interest on said unpaid assessments shall be payable and become delinquent on the same dates and bear the same proportionate penalties and interest after delinquency as do general taxes on real property in Contra Costa County.

The City Council covenants with the owners of the Local Obligations 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 no later than one hundred fifty (150) days following the date of any delinquency in any assessment or installment thereof securing the Local Obligations (as defined in the Trust Agreement), and thereafter diligently prosecute, judicial foreclosure proceedings upon such delinquency and interest thereon, which foreclosure proceedings shall be commenced and prosecuted without regard to available surplus funds of the City; provided, that the City shall not be required to commence or prosecute any such foreclosure action so long as (i) the City, in its sole discretion, advances funds to the Redemption Fund sufficient in both time and amount to pay when due scheduled principal of and interest on the Local Obligations and (ii) the amounts on deposit in the Reserve Fund held under the Trust Agreement (the "Reserve Fund") are equal to the Reserve Requirement (as defined in the Trust Agreement). Pursuant to Section 8831 of the Streets and Highways Code, the City shall be entitled to reasonable attorney's fees from the proceeds of any foreclosure sale.

There is created and established a fund to be known as the "City of Brentwood, Assessment District Redemption Fund," (referred to as the "Redemption Fund") which fund shall be kept by the Treasurer and shall constitute a trust fund for the benefit of the registered owners of the Local Obligations. All sums received by the Treasurer which are received from the collection of unpaid assessments (except for those amounts allocable to administrative expenses), and of the interest and penalties thereon, shall upon receipt be deposited in said fund. All sums to become due for the principal of and the interest on the Local Obligations shall be withdrawn by the Treasurer from said fund for use for the payment of the principal of and the interest on the Local Obligations, and the Local Obligations and the interest thereon shall not be paid out of any other funds.

There is created and established within the Redemption Fund a Prepayment Account. A property owner may prepay the assessment and remove the lien of the same from his or her property by paying to the City the sum of the following amounts: (a) the amount of any delinquent installments of principal and interest, together with penalties accrued to the date of prepayment; (b) the unpaid, non-delinquent principal of the assessment, including principal posted to the tax roll for the current fiscal year but not yet paid; (c) an allowance for redemption premium, calculated by multiplying the amount of the unmatured principal (exclusive of principal due during the fiscal year of prepayment) by the redemption premium, being three (3) percent, of the principal amount so prepaid; (d) a reasonable fee, to be fixed by the City, for the cost of administering the prepayment and the advance redemption of Local Obligations; (e) interest accrued to the next interest prepayment date which is not less than 90 days after the date of prepayment; and (f) less a credit for the Reserve Fund calculated to be an amount equal to the ratio of the

total amount initially deposited to the Reserve Fund to meet the Reserve Requirement with respect to the Local Obligations to the total amount originally assessed in the proceedings for the issuance of the Local Obligations, as specified in an Officer's Certificate to be delivered to the Trustee upon such Prepayment pursuant to the Trust Agreement. Upon receiving any prepayment of an assessment, the City shall disburse the amount thereof as follows: (a) the administrative fee shall be deposited in the general fund of the City; (b) delinquent principal, interest and penalties shall be deposited in the Redemption Fund unless the Reserve Fund has been depleted on account of the delinquencies, in which case the delinquent amounts and penalties shall be transferred to the Trustee to be deposited instead in the Reserve Fund held under the Trust Agreement; (c) the installment of principal due in the fiscal year of prepayment shall be deposited in the Redemption Fund; (d) interest accrued to the next Interest Payment Date shall be deposited in the Redemption Fund; and (e) the balance of such prepayment shall be deposited in the Prepayment Account to be used to advance the maturity of Local Obligations to the next redemption date as provided in Part 11.1 of the Improvement Bond Act of 1915.

All moneys in said fund shall be invested in any lawful investments for City funds (in accordance with the City's investment policy) ("Permitted Investments") maturing not later than the date on which such moneys are required for disbursement, and all interest earned on such investments shall be credited to said fund, except as otherwise required to comply with federal arbitrage requirements. All surplus remaining in said fund after payment of all Local Obligations and the interest thereon shall be applied as directed by the City.

There is created and established a fund to be known as the "City of Brentwood, Assessment District Improvement Fund," (referred to as the "Improvement Fund") which shall be kept by the Trustee which is appointed as fiscal agent (the "Fiscal Agent") for these purposes. After making the required deposit in the Redemption Fund, the City shall deposit all remaining proceeds of the sale of the Local Obligations (together with the paid assessments, if any) in the Improvement Fund held by the Fiscal Agent. All moneys in said fund shall be invested by the Fiscal Agent in Permitted Investments maturing not later than the date on which such moneys are required for disbursement. All interest earned on such investments in the Improvement Fund (and in the accounts within the Improvement Fund specified below) shall be credited to said fund and accounts, respectively, except as otherwise required by the Resolution.

From the amount deposited in the Improvement Fund, the Fiscal Agent shall transfer the amount specified in the Local Obligation Purchase Contract to the Acquisition Accounts established within the Improvement Fund.

The moneys in the Improvement Fund and the Acquisition Accounts shall be applied, pursuant to the Funding and Acquisition Agreements, exclusively for the purpose of paying the cost of acquiring the improvements for which the Assessment District has been formed, including payment of the incidental expenses in connection with such improvements; provided, that after completion of said improvements and the payment of all claims from the Improvement Fund and all accounts therein, notice of which shall be given to the Fiscal Agent by the Treasurer, any surplus moneys remaining in the Improvement Fund and any accounts therein (as determined by the City Council), or such portion thereof as is allowed by law, shall be used as follows (i) transferred to the Redemption Fund to be used as a credit on the assessment or (ii) transferred to the Redemption Fund to be used to redeem Local Obligations on the next redemption date, in either case in accordance with the provisions of Section 10427.1 of the Streets and Highways Code. Amounts in the Improvement Fund or any account therein shall be disbursed by the Fiscal Agent as specified by the Treasurer only upon receipt by the Fiscal Agent of a written certificate from the Treasurer stating that (1) the conditions to the release of such funds have been satisfied, (2) the name of the person to whom payment is due, (3) the amount to be paid and the fund or account from which it is to be paid, (4) the purpose for which the obligation to be paid was incurred, (5) there has not been filed with or served upon the City notice of any lien, right to lien or attachment upon, stop notice or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such certificate or written requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen or mechanics liens accruing by mere operation of law.

The City may in the exercise of its sole discretion, upon thirty (30) days prior written notice to the Fiscal Agent, remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto which successor may include the Treasurer of the City.

The Fiscal Agent may at any time resign by giving written notice to the City. Upon receiving such notice of resignation, the City shall promptly appoint a successor Fiscal Agent by an instrument in writing provided; however, that in the event that the City does not appoint a successor Fiscal Agent within thirty (30) days following receipt of such notice of resignation, the resigning Fiscal Agent may petition an appropriate court having jurisdiction to appoint a successor Fiscal Agent. Any resignation or removal of the Fiscal Agent and appointment of a successor Fiscal Agent shall become effective only upon the acceptance of appointment by the successor Fiscal Agent.

Summary of the Funding and Acquisition Agreements

Definitions. As used in the Funding and Acquisition Agreements, the following capitalized terms shall have the meanings ascribed to them below:

“1913 Act” means the Municipal Improvement Act of 1913 (Division 12 of the Streets and Highways Code).

“1915 Act” means the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code).

“Acceptable Title” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except those items which are reasonably determined by the City Engineer in his sole discretion not to interfere with the intended use and therefore are not required to be cleared from the title.

“Acquisition Account” means the account by that name established within the Improvement Fund for the purpose of paying the Acquisition Price of the Acquisition Improvements.

“Acquisition Agreement” means a Funding and Acquisition Agreement, dated as of August 1, 2006.

“Acquisition Improvements” shall have the meaning assigned to such term in Recital D of each Funding and Acquisition Agreement.

“Acquisition Price” means the amount paid to the Developer upon acquisition of any Acquisition Improvement as provided in each Funding and Acquisition Agreement.

“Act” means Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California.

“Actual Cost” means the cost of construction of an Acquisition Improvement, as documented by the Developer to the satisfaction of the City, as certified by the City Engineer in an Actual Cost Certificate.

“Actual Cost Certificate” shall mean a certificate prepared by the Developer detailing the Actual Cost of each Acquisition Improvement to be acquired hereunder, as revised by the City Engineer pursuant to each Funding and Acquisition Agreement.

“Assessment District” means City of Brentwood Assessment District No. 2006-1, as the same may be modified by the City Council from time to time.

“BIFA” means the Brentwood Infrastructure Financing Authority, a joint exercise of powers authority established under the laws of the State of California.

“Budgeted Amount” means the amount shown in each Funding and Acquisition Agreement as the budgeted cost of each Acquisition Improvement to be acquired thereunder.

"CIFP 2006-1" shall have the meaning assigned to such term in each Funding and Acquisition Agreement.

"CIFP 2006-1 Participant" means each signatory to CIFP 2006-1 and its successors and assigns.

"City" means the City of Brentwood, a municipal corporation organized and existing under the laws of the State of California.

"Code" means the Streets and Highways Code of the State of California.

"Developer" means a Developer in Assessment District No. 2006-1 who entered into a Funding and Acquisition Agreement with the City.

"District Engineer" means the City Engineer of the City of Brentwood, the Engineer of Work for the Assessment District appointed by the City Council.

"Excess Credit Amount" means the aggregate amount by which the Actual Cost of the Acquisition Improvements acquired by the City hereunder exceeds the Budgeted Amount of such Acquisition Improvements, as calculated from time to time pursuant to a Funding and Acquisition Agreement.

"Expenses" means all costs of issuance of the Revenue Bonds and the Local Obligations, including underwriting discount, trustee fees and charges, printing, legal fees and expenses, appraisal costs, assessment engineering costs, and city administrative costs and all amounts required to be reimbursed to the Developer pursuant to the Deposit Agreement.

"Improvement Fund" means the fund by that name established and maintained by the Trustee as Fiscal Agent under the Resolution.

"Local Obligations" means the City's Limited Obligation Improvement Bonds, Assessment District No. 2006-1, issued under and pursuant to the Resolution.

"Project" means the Developer's development of the property in the Assessment District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within the Assessment District.

"Resolution" means the City resolution providing for the authorization and issuance of the Local Obligations, as it may be amended and supplemented from time to time.

"Revenue Bonds" means the infrastructure revenue bonds issued by BIFA secured by the Local Obligations issued in connection with CIFP 2006-1.

"Title Documents" means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements) necessary or convenient to the operation, maintenance, rehabilitation and improvement by the City of the Acquisition Improvement (including, if necessary, easements for ingress and egress) and a Bill of Sale or similar instrument evidencing transfer of title to the Acquisition Improvement (other than said real property interests) to the City, where applicable.

"Trust Agreement" means the trust agreement entered into among the City, BIFA, and U.S. Bank National Association, as trustee, in connection with the issuance of the Revenue Bonds, as it may be amended and supplemented from time to time.

Formation of Assessment District. The 1913 Act legal proceedings described in the Acquisition Agreement have been completed by (1) adoption of the resolution specified by Section 10312 of the Code, following the public hearing and assessment ballot proceedings; and (2) recording thereafter with the Contra Costa County

Recorder of the assessment diagram and the Notice of Assessment, as prescribed by Section 3114 of the Code. Each of the parties agrees to exercise due diligence and to take all additional actions under its control as reasonably required to complete future Assessment District proceedings (including modification of the District).

Sale of Local Obligations. Following completion of Assessment District formation, the City will proceed with issuance and sale of Local Obligations upon the security of the recorded and unpaid special assessments levied upon the respective parcels of land within the Assessment District. Exhibit A of the Acquisition Agreement contains the present best estimate of the costs and expenses of the Improvements and related incidental costs and expenses of the Improvements, the 1913 Act proceedings and the financing to be either reimbursed (if advanced by the Developer) or paid from the Local Obligation proceeds. The estimate remains subject to modification and refinement and represents only a present best estimate. Subject to the terms and conditions of the Acquisition Agreement, each of the parties agrees to exercise due diligence and to take all actions under its control as reasonably required to accomplish issuance, sale and delivery of the Local Obligations.

Brentwood Infrastructure Financing Authority. (a) All Local Obligations will be sold by the City to BIFA. BIFA will provide an umbrella financing vehicle for the CIFP 2006-1 District to finance and refinance the cost of infrastructure for the Assessment District. The proceeds of the Revenue Bonds will be used to acquire the Local Obligations.

(b) The Revenue Bonds will be issued by BIFA pursuant to the Act and the Trust Agreement. The Trust Agreement will provide that no additional bonds may be issued on a parity with the Revenue Bonds. Proceeds of the Revenue Bonds (net of costs of issuance and reserves) will be paid to the City to purchase the Local Obligations.

(c) The Local Obligations will be purchased at a price equal to their par amount, less underwriters discount, less costs of issuance and less the amount of the Revenue Bond reserve fund attributable to the Local Obligations, and less original issue discount, if any. The Revenue Bond reserve fund will be held under the Trust Agreement as a common reserve for the Revenue Bonds. No separate reserve fund will be established for the Local Obligation at the Assessment District level.

(d) Local Obligations will not be sold by the City or purchased by BIFA unless, at the time of purchase, the following criteria are met:

(i) The Local Obligations are eligible to be acquired by BIFA under the Trust Agreement, dated as of August 1, 2006 by and among the City, BIFA and U.S. Bank National Association, as trustee.

(ii) The CIFP 2006-1 Report shall have been approved by the City. Any Improvements not provided for in the Assessment District shall be secured by other improvement security satisfactory to the City in accordance with the City's Municipal Code.

(iii) There shall be no property tax delinquency or assessment installment delinquency on any of the Developer's property within the Assessment District.

(iv) No Developer or owner of property within the Assessment District shall be the subject of any bankruptcy proceeding, receivership or other similar arrangement.

Deposit and Use of Local Obligation Proceeds.

(a) Assuming sale and delivery of the Local Obligations, upon receipt of bond sale proceeds, and subject to the terms and conditions of the Resolution, the City shall deposit or cause the deposit of the proceeds received into the appropriate funds or accounts in the amounts and as otherwise specified by the Resolution.

(b) An amount equal to the estimated cost of the Improvements to be funded with the Local Obligations shall be deposited in each CIFP 2006-1 Acquisition Account.

(c) The City shall establish and maintain the Acquisition Accounts for the purpose of holding all funds for the Improvements paid from the Improvement Fund. All earnings on amounts in the Acquisition Accounts shall remain in the Acquisition Accounts for use as provided in the Acquisition Agreements. The amounts in the Acquisition Accounts shall be used by the City upon completion of the Improvements within 30 days of receipt by the City of the certification of the City Engineer required by the Acquisition Agreements, and subject to satisfaction of all other conditions precedent to such acquisition pursuant thereto, to pay the Acquisition Price of such completed Improvements. Upon completion of all of the Improvements and the payment of all costs thereof, any remaining funds in the Acquisition Accounts (less any amount determined by the City as necessary to reserve for claims against such account) shall be applied (i) to any additional improvements eligible for acquisition with respect to the Assessment District and, to the extent not so used, (ii) as provided in Section 10427.1 of the Code.

No City Liability; City Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the City or any actual or alleged omission or failure to act by the City with respect to the sale or proposed sale of the Local Obligations subject the City to monetary liability therefor. Nothing contained in the Acquisition Agreement shall be construed as limiting the discretion of the City as stated above respecting the terms and conditions of any proposed issuance, sale and delivery of the Local Obligations, it being expressly acknowledged by the Developer that exercise by the City of the discretion reserved by the City in the Acquisition Agreement may result in an indefinite postponement of any such proposed sale or in no sale at all. Further, nothing in the Acquisition Agreement shall be construed as affecting the Developer's or the City's duty to perform their respective obligations under any other agreements, land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer's and the City's rights and obligations under the Acquisition Agreement.

Future Apportionments of Assessment. To assure compliance with Sections 66493 of the California Government Code, the Developer shall submit a signed application for the division of land and assessment and be responsible to pay all costs associated with the apportionment of assessment for any parcel owned by it in the Assessment District prior to recordation of a final map and to divide such parcel. Furthermore, the Developer agrees to ensure that all future subdividers in the District with whom the Developer is in privity submit signed applications for the division of land and assessment to the City and pay cost, as determined by the City Engineer, associated with any such apportionment.

Letting and Administering Design Contracts. The parties presently anticipate that the Developer has awarded and administered or will award and administer engineering design contracts for the Improvements to be acquired from Developer. The Developer shall be entitled to reimbursement for any design costs of the Improvements only out of the Acquisition Price as provided in the Acquisition Agreement and shall not be entitled to any payment for design costs independent of the acquisition of Improvements.

Letting and Administration of Construction Contracts. The 1913 Act requires that all Improvements shall be constructed as if they were constructed under the direction and supervision of the City. In order to assure compliance with those provisions, Developer agrees to comply with the Private Contracting Guidelines for Assessment Proceedings adopted by the City.

Sale of Acquisition Improvements. The Developers agree to sell to the City the Improvements to be constructed by the Developers (including any rights-of-way or other easements necessary for the operation and maintenance of the Improvements, to the extent not already publicly owned) when completed to the satisfaction of the City for an amount not to exceed the lesser of (i) the Budgeted Amount for such Improvements, or (ii) the Actual Cost of such Improvements.

In the event that the Actual Cost is in excess of the Budgeted Amount, the City shall withdraw the Budgeted Amount from the Acquisition Account and transfer said amount to the respective Developers, and the Excess Credit Amount shall be increased by the difference between the Actual Cost and the Budgeted Amount. In the event that the Actual Cost is less than the Budgeted Amount, the City shall withdraw an amount from the Acquisition Accounts equal to the lesser of (i) the sum of the Actual Cost and the Excess Credit Amount, or (ii) the Budgeted Amount, and shall transfer said amount to the respective Developers, and the Excess Credit Amount shall be reduced by the difference between the Actual Cost and the amount so transferred. Upon completion of the acquisition of all Improvements, the City shall withdraw from the CIPF Acquisition Accounts and transfer to the

respective Developers an amount equal to the lesser of (i) the Excess Credit Amount or (ii) the remaining amount on deposit in the Improvement Fund.

Any funds remaining on deposit in the Acquisition Accounts after said transfer shall be applied as surplus under Section 10427.1 of the 1913 Act. In no event shall the City be required to pay the Developers more than the amount on deposit in the Acquisition Accounts at the time such payment is requested.

Conditions Precedent to Payment of Acquisition Price. Payment by the City to the Developers from the Acquisition Accounts of the Acquisition Prices for any Improvements shall be conditioned first upon the determination of the City Engineer, pursuant to the Acquisition Agreements, that such Improvement is complete and ready for acceptance by the City, and shall be further conditioned upon prior satisfaction of the additional conditions as set forth in the Acquisition Agreements.

Disclosures to Purchasers of Residential Lots from the Developer. This section shall apply to all Residential Lots. From and after the date of the Acquisition Agreement, the Developer shall give or cause to be given to each prospective purchaser of a Residential Lot an Assessment Notice. The Developer shall require as a condition precedent to the execution of any purchase and sale agreement or deposit receipt as to a Residential Lot that the prospective purchaser sign and return to the Developer a copy of the Assessment Notice, acknowledging receipt thereof. The Developer shall deliver to the City a copy of such executed Assessment Notice promptly upon its receipt thereof from the prospective buyer. The Developer shall cause the Assessment Notice to be included in all applications for Final Subdivision Reports required by the California Department of Real Estate which are filed on Residential Lots within the Assessment District after the effective date of the Acquisition Agreement.

Bulk Purchasers of Residential Property from the Developer. This section shall apply to those persons or entities (other than persons described in the above paragraph) who purchase property from the Developer for the purpose of subdividing such property or constructing residential dwelling units thereon, or both (each a "Residential Developer"). From and after the date of the Acquisition Agreement, the Developer shall: (1) require as a condition precedent to its obligation to close an escrow for the sale of real property to a Residential Developer that such Residential Developer agree in writing to deliver the Assessment Notice to purchasers of Residential Lots from such Residential Developer as provided in the Acquisition Agreement as if such Residential Developer was the Developer, and (2) require each Residential Developer to deliver the executed Assessment Notice to the Developer for each purchase of a dwelling unit or custom lot immediately after the close of escrow. The Developer shall deliver the executed Assessment Notice to City. The City shall expressly be made a third-party beneficiary in the Acquisition Agreement described in (1) above with respect to the Residential Developer's duty to deliver the Assessment Notice.

Purchasers of Commercial Property from the Developer. This section shall apply to the Developer and to those persons or entities that purchase property from the Developer for the purpose of constructing a commercial or industrial facility thereon (each a "Commercial Developer"). From and after the date of the Acquisition Agreement, the Developer shall notify each Commercial Developer of the existence of the Assessment District and the assessment levied against the property being purchased by such Commercial Developer.

Cooperation. The City and the Developer agree to cooperate with respect to the formation of the Assessment District, confirmation of the assessments, the timing, amounts and other aspects connected with the sale of the Local Obligations and the Revenue Bonds, the design of the Improvements, content and specifications of the contracts for the Improvements, construction standards, all schedules and financial reports for completion of the Project. The City and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by the Acquisition Agreement.

Third Party Beneficiaries. It is expressly agreed that, except for the Brentwood Infrastructure Financing Authority, as issuer of the Revenue Bonds there are no third party beneficiaries of the Acquisition Agreement, including without limitation any owners of bonds, any of the City's or the Developer's contractors for the Improvements and any of the City's or the Developer's agents and employees.

Conflict with Other Agreements. Nothing contained in the Acquisition Agreement shall be construed as releasing the Developer or the City from any condition of development or requirement imposed by any

other agreement between the City and the Developer, and, in the event of a conflicting provision, such other agreement shall prevail unless such conflicting provision is specifically waived or modified in writing by the City and the Developer.

Remedies in General. In general, each of the parties to the Acquisition Agreement may pursue any remedy at law or equity available for the breach of any provision of said Agreement, except that the City shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer other than for the payments to the Developer specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, the Acquisition Agreement.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

August 16, 2006

Governing Board
Brentwood Infrastructure Financing Authority
Brentwood, California

Brentwood Infrastructure Financing Authority
CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Brentwood Infrastructure Financing Authority (the "Issuer") in connection with the issuance by the Issuer of \$17,195,000 aggregate principal amount of its CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006 (the "Bonds"), issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985 (constituting Article 4, Chapter 5, Division 7, Title 1 of the California Government Code), and a trust agreement, dated as of August 1, 2006 (the "Trust Agreement"), among the Issuer, the City of Brentwood (the "Local Agency") and U.S. Bank National Association, as trustee (the "Trustee") providing for the issuance, sale and delivery of the Bonds approved by Resolution No. 2006-015 of the Issuer adopted on July 11, 2006. The Bonds are issued for the purpose of enabling the Issuer to acquire certain local obligations (the "Local Obligations") of the Local Agency. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

In such connection, we have reviewed the Trust Agreement, the Tax Certificate dated the date hereof (the "Tax Certificate"), certifications of the Issuer, the Trustee, the Local Agency, and others, opinions of counsel to the Issuer, the Local Agency and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

Local Obligations may be acquired, and certain requirements and procedures contained or referred to in the Trust Agreement, the Tax Certificate, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted to be taken, under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted to be taken upon the advice or approval of counsel other than ourselves.

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

We call attention to the fact that the rights and obligations under the Bonds, the Trust Agreement, and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against joint powers authorities in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

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

1. The Bonds constitute valid and binding limited obligations of the Issuer.
2. The Trust Agreement has been duly authorized, executed and delivered by, and constitutes the valid and binding obligations of, the Issuer. The Trust Agreement creates a valid pledge, to secure the payment of the principal of and redemption premium, if any, and interest on the Bonds, of the Trust Estate, subject to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

3. The Bonds are not a lien or charge upon the funds or property of the Issuer except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the Local Agency nor the State of California or any subordinate entity or political subdivision of either is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the Local Agency or the State of California and neither said State nor the Local Agency is liable for the payment thereof.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

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APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKINGS

THIS CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement") dated as of August 1, 2006, is executed and delivered by the City of Brentwood, California (the "City") and U.S. Bank National Association, as Trustee and as Dissemination Agent (the "Trustee" and "Dissemination Agent") in connection with the issuance of \$17,195,000 CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006 (the "Bonds"). The Bonds are issued pursuant to the terms of a Trust Agreement (the "Trust Agreement") dated as of August 1, 2006 (the "Trust Agreement") among the Brentwood Infrastructure Financing Authority (the "Issuer"), the City and the Trustee. The Bonds are being issued to finance improvements within the City's Assessment District No. 2006-1, (the "District"). The Bonds are secured by payments received by the Authority from the City of principal and interest on bonds (the "**Local Obligations**"), as described in the Official Statement dated July 26, 2006 for the Bonds.

Pursuant to the Trust Agreement, the City, Dissemination Agent and the Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City, the Dissemination Agent and the Trustee for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined below). The City, the Dissemination Agent and the Trustee acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Agreement, and has no liability to any person, including any Holder or Beneficial Owner of the Bonds, with respect to the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Disclosure Representative" shall mean the City Manager or the Director of Finance of the City or his or her designee, or such other person as the City shall designate in writing to the Dissemination Agent and Trustee from time to time.

"Dissemination Agent" shall mean U. S. Bank National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, as they may be designated from time to time pursuant to the Rule. Any filing under this Disclosure Certificate with a National Repository may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

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

"State" shall mean the State of California.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or upon written direction, shall cause the Dissemination Agent to, not later than 8 months after the end of the City's fiscal year (which end of the fiscal year is presently June 30), commencing with the report for the 2005-06 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repositories, the City shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date the Trustee has not received a copy of the Annual Report, the Trustee shall contact the City and the Dissemination Agent to determine if the City is in compliance with the first sentence of this subsection (b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent and the Trustee to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent and Trustee may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(c) If the Trustee is unable to verify that an Annual Report has been provided to the Repositories by the date required in subsection (a), the Trustee shall send a notice to each Repository in substantially the form attached as Exhibit A.

The Dissemination Agent shall:

(ii) determine each year prior to the final date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) file a report with the City, the Issuer and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided to the extent such information is accessible to the Dissemination Agent.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

1. A schedule showing, for the CIFP 2006-1 District, the aggregate amount of the Local Obligations issued, including the debt service schedule for such Local Obligations.

2. A statement of the amounts on deposit in the Improvement Fund (including all accounts therein) and the Reserve Fund.

3. A statement of the status of the construction of the Improvements, including the percentage completed, any material construction delays or cost overruns (but only with respect to Improvements being constructed by or under the direction and supervision of the City) and the estimated completion date. This information need not be reported in any Annual Report after all Improvements are completed.

4. A table showing the current development in the District, including the number of parcels that are developed, under development and undeveloped; assessed values; and the remaining assessment lien. The information with respect to the parcels can be as reflected on the most recent secured property tax roll of the County unless more current information is available to the City.

5. A table showing the principal property owners as reflected on the most recent secured property tax roll of the County responsible for greater than 5% of the remaining assessment lien.

6. To the extent available, the current status of any tentative or final subdivision maps covering the property in the District.

7. Information concerning any delinquencies in the payment of assessment installments securing the Local Obligations including (i) the total amount of delinquencies in the District, both as a dollar amount and as a percentage of the total levy for the Fiscal Year and (ii) with respect to any delinquency of an owner which holds land subject to more than 5% of the assessment liens securing Local Obligations, the following information:

- a. Assessor's Parcel Number;
- b. Record owner of the parcel;
- c. Amount of delinquency, including separate statement of amounts representing principal on Local Obligations, interest on Local Obligations, administrative expenses levy, penalties and interest on delinquency;
- d. Due date of first delinquent installment; and
- e. Status of foreclosure action, if any.

8. The audited financial statement of the City for the preceding Fiscal Year prepared in accordance with generally accepted accounting practices; provided, that if the audited financial statements are not available at the time of filing of the Annual Report, they may be filed separately after filing of the Annual Report but the Annual Report shall contain unaudited financial statements of the City for the preceding Fiscal Year; and provided, further, that in each Annual Report or other filing containing the City's financial statements, the following statement shall be included in bold type:

"THE FOLLOWING FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE CITY ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give an officer's certificate including notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Modifications to rights of Bondholders.
4. Optional, contingent or unscheduled Bond calls.
5. Defeasances.
6. Rating changes.
7. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. Unscheduled draws on the debt service reserves, if any, reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of credit or liquidity providers, or their failure to perform.
11. Release, substitution, or sale of property securing repayment of the Bonds.

(b) The Trustee shall, within one (1) Business Day, or as soon as reasonably practicable thereafter, of obtaining actual knowledge of the occurrence of any of the Listed Events (provided the Trustee shall not be responsible to determine the materiality of any such Listed Event) contact the Disclosure Representative, inform such person of the event, and request that the Local Agency promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f) and promptly direct the Trustee whether or not to report such event to the Bondholders. In the absence of such direction the Trustee shall not report such event unless otherwise required to be reported by the Trustee to the Bondholders under the Trust Agreement. The Trustee may conclusively rely upon such direction. (or lack thereof). For purposes of this Disclosure Agreement, "actual knowledge" of the occurrence of such Listed Events shall mean actual knowledge by the officer at the Corporate Trust Office of the Trustee with regular responsibility for the administration of matters related to the Trust Agreement.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event, because of a notice from the Trustee pursuant to subsection (b) or otherwise, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the City has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the City determines that the Listed Event would not be material under applicable federal securities laws, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence.

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository with a COPY to the City. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Trust Agreement.

SECTION 6. Termination of Reporting Obligation. The City's, Trustee's and Dissemination Agent's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or as to the Trustee and Dissemination Agent, the earlier resignation or removal thereof. If the City's obligations under the Local Obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the City and the original City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the City shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. If at

any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be U. S. Bank National Association. The Dissemination Agent may resign by providing thirty days written notice to the City and the Trustee.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City, Agent and the Trustee may amend this Disclosure Agreement (and the Trustee and Dissemination Agent shall agree to any amendment so requested by the City provided, neither the Trustee or Dissemination Agent shall be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied.

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5 (a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Holders, or (ii) does not, in the, opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the Presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the City, the Trustee, the Dissemination Agent, the Participating Underwriter, and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____, 2006

CITY OF BRENTWOOD

By: _____
Authorized Officer

U. S. BANK NATIONAL ASSOCIATION, as
Trustee and Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Brentwood Infrastructure Financing Authority
Name of Bonds: CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006
Name of Local Agency: City of Brentwood, California
Date of Issuance: August 16, 2006

NOTICE IS HEREBY GIVEN that the City of Brentwood has not provided an Annual Report with respect to the above-named Bonds as required by the Trust Agreement dated as of August 1, 2006 that the Annual Report will be filed by _____.

Dated: _____

U. S. BANK NATIONAL ASSOCIATION,
on behalf of the City of Brentwood

cc: City of Brentwood

**CONTINUING DISCLOSURE CERTIFICATE
(Developer)**

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by _____ (the "Developer"), in connection with the issuance by the Brentwood Infrastructure Financing Authority (the "Issuer") of \$17,195,000 CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006 (the "Bonds"). The Bonds are issued pursuant to the terms of a Trust Agreement (the "Trust Agreement") dated as of August 1, 2006 (the "Trust Agreement") among the Brentwood Infrastructure Financing Authority (the "Issuer"), the City of Brentwood (the "City") and U.S. Bank National Association, as Trustee (the "Trustee"). The Bonds are being issued to finance improvements within the City's Assessment District No. 2006-1, (the "District"). The Bonds are secured by payments received by the Authority from the City of principal and interest on bonds (the "Local Obligations"), as described in the Official Statement dated July 26, 2006 for the Bonds. The Developer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Developer for the benefit of the holders and beneficial owners of the Bonds.

Section 2. Definitions. In addition to the definitions set forth above and in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Affiliate*" of another Person means (a) a Person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other Person, (b) any Person, 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other Person, and (c) any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For purposes hereof, control means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person.

"*Annual Report*" means any Annual Report provided by the Developer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Assessments*" means the assessments levied on taxable property within the District.

"*Assumption Agreement*" means an undertaking of a Major Owner, or an Affiliate thereof, for the benefit of the holders and beneficial owners of the Bonds containing terms substantially similar to this Disclosure Certificate (as modified for such Major Owner's development and financing plans with respect to the City), whereby such Major Owner or Affiliate agrees to provide annual reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in the City owned by such Major Owner and its Affiliates and, at the option of the Developer or such Major Owner, agrees to indemnify the Dissemination Agent pursuant to a provision substantially in the form of Section 11 hereof.

"*City*" means the City of Brentwood.

"Dissemination Agent" means U.S. Bank National Association, or any successor Dissemination Agent designated in writing by the Developer, and which has filed with the Developer, the City and the Trustee a written acceptance of such designation, and which is experienced in providing dissemination agent services such as those required under this Disclosure Certificate.

"District" means the City of Brentwood Assessment District 2006-1.

"Listed Events" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"Major Owner" means, as of any Report Date, an owner of land in the District responsible in the aggregate for 20% or more of the Assessments in the District actually levied at any time during the then-current fiscal year.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, as they may be designated from time to time pursuant to the Rule. Any filing under this Disclosure Certificate with a National Repository may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

"Official Statement" means the final official statement executed by the City in connection with the issuance of the Bonds.

"Participating Underwriter" means RBC Capital Markets, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

"Property" means the property owned by the Developer in the District.

"Report Date" means (a) the date that is eight months after the end of the City's fiscal year (currently March 1 based on the City's June 30 fiscal year end).

"Repository" means each National Repository and each State Repository, if any.

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

"State Repository" means any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The Developer shall, or upon written direction shall cause the Dissemination Agent to, not later than the Report Date, commencing March 1, 2007, provide to each Repository a Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Trustee (if different from the Dissemination Agent), the Participating Underwriter and the City. Not later than 15 Business Days prior to the Report Date, the Developer shall provide the Annual Report to the Dissemination Agent. The Developer shall provide a written certification with (or included as a part of) each Annual Report furnished to the Dissemination Agent, the Trustee (if different from the Dissemination Agent), the Participating Underwriter and the City to the effect that such Annual Report constitutes the Annual Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Trustee, the Participating Underwriter and the City may conclusively rely upon such certification of the Developer and shall have no duty or obligation to review the Annual Report. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Dissemination Agent does not receive an Annual Report by 15 days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Developer that the Annual Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Developer to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 6 below) and, if so, to provide the Dissemination Agent with a notice of such termination in the same manner as for a Listed Event (pursuant to Section 5 below). If the Developer does not provide, or cause the Dissemination Agent to provide, a Annual Report to the Repositories by the Report Date as required in subsection (a) above, the Dissemination Agent shall send a notice to the Municipal Securities Rulemaking Board and appropriate State Repository, if any, in substantially the form attached hereto as Exhibit A, with a copy to the Trustee (if other than the Dissemination Agent), the City and the Participating Underwriter.

(c) The Dissemination Agent shall:

(i) determine prior to each Report Date the name and address of each National Repository and each State Repository, if any;

(ii) to the extent the Annual Report has been furnished to it, file a report with the Developer (if the Dissemination Agent is other than the Developer), the City and the Participating Underwriter certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

Section 4. Content of Annual Reports. The Developer's Annual Report shall contain or incorporate by reference the following, if material:

(a) Any significant changes in the information concerning the Developer as contained in the Official Statement under the heading: " THE DISTRICT - Property Within the District and Anticipated Developments."

(b) A general description of the Developer's development status of the parcels within the District.

(c) The number of homes within the District sold by the Developer since the date of the Official Statement.

(d) A description of any material change in the legal structure of the Developer.

(e) Any denial of credit, lines of credit, loans or loss of source of capital that could have a significant impact on the Developer's ability to pay taxes or assessments on the property in the District.

(f) Any failure by the Developer to pay when due general property taxes or assessments or special taxes with respect to its property in the District.

(g) Any previously undisclosed amendments to the land use entitlements or environmental conditions or other governmental conditions that are necessary to complete the Developer's development plan in the District.

Section 5. Reporting of Significant Events.

(a) The Developer shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds, if material:

(i) bankruptcy or insolvency proceedings commenced by or against the Developer and, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of the Developer;

(ii) failure to pay any assessments, taxes, special taxes or assessments due with respect to the Property;

(iii) filing of a lawsuit against the Developer or, if known, an Affiliate of the Developer, seeking damages which could have a significant impact on the Developer's ability to pay Assessments or to sell or develop the Property;

(iv) material damage to or destruction of any of the improvements on the Property; and

(v) any payment default or other material default by the Developer on any loan with respect to the construction of improvements on the Property.

(b) Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Developer determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Developer shall, or shall cause the Dissemination Agent to, promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository, if any, with a copy to the Trustee, the City and the Participating Underwriter.

Section 6. Duration of Reporting Obligation.

(a) All of the Developer's obligations hereunder shall commence on the date hereof and shall terminate (except as provided in Section 11) on the earliest to occur of the following:

(i) upon the legal defeasance, prior redemption or payment in full of all the Bonds, or

(ii) at such time as property owned by the Developer is no longer responsible for payment of 20% or more of the Assessments, or

(iii) the date on which the Developer prepays in full all of the Assessments attributable to the Property.

The Developer shall give notice of the termination of its obligations under this Disclosure Certificate in the same manner as for a Listed Event under Section 5.

(b) If a portion of the property in the District owned by the Developer, or any Affiliate of the Developer, is conveyed to a Person that, upon such conveyance, will be a Major Owner, the obligations of the Developer hereunder with respect to the property in the District owned by such Major Owner and its Affiliates may be assumed by such Major Owner or by an Affiliate thereof and the Developer's obligations hereunder will be terminated. In order to effect such assumption, such Major Owner or Affiliate shall enter into an Assumption Agreement in form and substance satisfactory to the City and the Participating Underwriter.

Section 7. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist the Developer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be U.S. Bank National Association. The Dissemination Agent may resign by providing thirty days' written notice to the City, the Developer and the Trustee.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Developer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied (provided, however, that the Dissemination Agent shall not be obligated under any such amendment that modifies or increases its duties or obligations hereunder without its written consent thereto):

(a) if the amendment or waiver relates to the provisions of sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

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

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

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

Section 10. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Certificate, the Trustee shall (upon written direction and only to the extent indemnified to its satisfaction from any liability, cost or expense, including fees and expenses of its attorneys), and the Participating Underwriter and any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Developer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the Developer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Developer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities, costs and expenses due to the Dissemination Agent's negligence or willful misconduct or failure to perform its duties hereunder. The Dissemination Agent shall be paid compensation for its services provided hereunder in accordance with its schedule of fees as amended from time to time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Developer, the Trustee, the Bond owners, or any other party. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Brentwood Infrastructure Financing Authority
Name of Bonds: CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006
Name of Local Agency: City of Brentwood, California
Date of Issuance: August 16, 2006

NOTICE IS HEREBY GIVEN that _____ (the "Major Owner") has not provided a Annual Report with respect to the above-named bonds as required by that certain Continuing Disclosure Certificate (Developer), dated _____, 2006. The Major Owner anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT:

By: _____
Its: _____

APPENDIX G

THE BOOK ENTRY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Bonds (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust

companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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