NEW ISSUE - FULL BOOK-ENTRY **NOT RATED**

In the opinion of Orrick, Herrington & Sutcliffe LLP, 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 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."

$40,145,000
BRENTWOOD INFRASTRUCTURE FINANCING AUTHORITY
CIFP 2005-1 Infrastructure Revenue Bonds
Series 2005
(Contra Costa County, California)

Dated: Date of Delivery **Due: September 2, as shown below**

The $40,145,000 CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005 (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 construction and acquisition of certain public improvements within the City's Assessment District No. 2005-1 (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, 2006, 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" herein.

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

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 - The 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)
2006	$595,000	3.000%	3.000%	QE1	2012	$825,000	4.125%	4.300%	QL5
2007	690,000	3.150	3.150	QF8	2013	860,000	4.250	4.400	QM3
2008	710,000	3.450	3.450	QG6	2014	895,000	4.375	4.550	QN1
2009	735,000	3.750	3.850	QH4	2015	935,000	4.500	4.700	QP6
2010	765,000	4.000	4.050	QJ0	2016	975,000	4.625	4.800	QQ4
2011	795,000	4.000	4.150	QK7					

$3,230,000 5.000% Term Bonds due September 2, 2019; Price: 100.00% CUSIP†: 10727X QT8
$8,055,000 5.000% Term Bonds due September 2, 2025; Price: 99.372% CUSIP†: 10727X QW1
$8,795,000 5.125% Term Bonds due September 2, 2030; Price: 100.00% CUSIP†: 10727X QV3
$11,285,000 5.150% Term Bonds due September 2, 2035; Price: 100.00% CUSIP†: 10727X QX9

† Copyright 2005, American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and are provided for convenience of reference only. Neither the Authority nor the Underwriters assume any responsibility for the accuracy of these CUSIP data.

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. 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 18, 2005.

RBC Dain Rauscher

Dated: August 3, 2005

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, City Engineer
Pam Ehler, Director of Finance and Information Systems
Thomas R. Curry, Interim City Attorney
Cindy Garcia, Interim City Clerk

Special Services

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Orrick, Herrington & Sutcliffe LLP
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Trustee
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Engineer of Work
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City Engineer, City of Brentwood

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Rocklin, California

Disclosure Counsel
Jones Hall, A Professional Law Corporation
San Francisco, California

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 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.

TABLE OF CONTENTS

INTRODUCTION 1
THE BONDS 3
- Authority For Issuance 3
- Issuance of the Bonds 4
- Application of Proceeds of the Bonds and the Local Obligations 4
- Redemption 5
- ESTIMATED SOURCES AND USES OF FUNDS 8
- DEBT SERVICE SCHEDULE 9
- SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR 10
- Limited Obligation 10
- Revenues 11
- Assessments 12
- Contra Costa County Tax Loss Reserve 12
- Priority of Lien 13
- Limited Obligation Upon Delinquency 13
- Collection of Assessments 14
- Reserve Fund 14
- Covenant to Commence Superior Court Foreclosure 15
- Additional Bonds and Local Obligations 15
- Refunding Bonds 15

THE CAPITAL IMPROVEMENT FINANCING PROGRAM 16
- Capital Improvement Financing Programs in General 16
- CIFP 2005-1 17

THE IMPROVEMENT PROJECT 17
- Description and Cost Estimate of the Improvements 17
- Construction and Acquisition of the Improvements 22
- Method of Assessment 22
- Assessment Spread 23

THE DISTRICT 23
- Location of the District 23
- Property Within the District and Anticipated Development 24
- The County of Contra Costa and City of Brentwood 30

APPRAISED VALUE OF PROPERTY WITHIN THE DISTRICT 31
- Appraisal Report 31
- Value to Lien Ratio 32
- Property Tax Status 34

BONDOWNERS' RISKS 34
- General 34
- Owners Not Obligated to Pay Bonds or Assessments 35
- Bankruptcy and Foreclosure 36
- Availability of Funds to Pay Delinquent Assessment Installments 36
- Collection of the Assessment 36
- Limitations on Enforceability of Remedies 37
- Land Values 37
- Land Development 38
- Concentration of Ownership 39
- Future Land Use Regulations and Growth Control Initiatives 39
- Ballot Initiatives 39
- Hazardous Substances 39
- Parity Taxes and Special Assessments 40
- Future Overlapping Indebtedness 40
- Future Private Indebtedness 40
- No Acceleration Provision 41

CONSTITUTIONAL LIMITATIONS ON TAXATION AND APPROPRIATIONS 41
- Property Tax Rate Limitations - Article XIIIA 41
- Legislation Implementing Article XIIIA 41
- Appropriation Limitation - Article XIIIB 41
- Proposition 218 42
- Property Tax Collection Procedures 43

THE ISSUER 43
CONTINUING DISCLOSURE 44
LEGAL OPINION 44

TAX EXEMPTION..... 45
NO LITIGATION..... 47
NO RATING..... 47
UNDERWRITING..... 47
MISCELLANEOUS..... 47

APPENDIX A - THE APPRAISAL
APPENDIX B - ENGINEER'S REPORT
APPENDIX C - THE CITY OF BRENTWOOD
APPENDIX D - SUMMARY OF PRINCIPAL LEGAL DOCUMENTS
APPENDIX E - PROPOSED FORM OF OPINION OF BOND COUNSEL
APPENDIX F - FORM OF CONTINUING DISCLOSURE UNDERTAKINGS
APPENDIX G - THE BOOK-ENTRY SYSTEM

OFFICIAL STATEMENT

$40,145,000
BRENTWOOD INFRASTRUCTURE FINANCING AUTHORITY
CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005
(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 $40,145,000 aggregate principal amount of CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005 (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. 2005-1 (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, 2005 (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 construction and acquisition of certain public improvements within Assessment District No. 2005-1 (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 construction 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"**) 2005-1, of three components: (i) a detached, single-family residential use category incorporating 1,904 proposed single-family residential lots of undeveloped land owned by developers with tentative subdivision map approval (plus approximately 28.6 acres expected to be used for a winery and other uses and not subject to an assessment), (ii) an existing mobile home park comprising 11.35 acres, and (iii) 14 existing single family residences owned by various homeowners. Combined, the categories yield a total land area in the District of approximately 670.26 acres. Residential development property in the District is currently held under five 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 construction and acquisition thereof) necessary for development in the District and to a lesser extent certain City fees related to new development (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 5 homebuilder entities. See the information under the caption "THE DISTRICT – Property Within the District and Anticipated Development" below.

Appraised Value 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 real property within the District subject to Assessments, which sets forth an aggregate value of such property of $258,810,000 as of June 3, 2005. 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. See "APPRAISED VALUE OF PROPERTY WITHIN THE DISTRICT" and Appendix A. Such appraised valuation of property in the District is approximately 6.29 times the $41,138,240 aggregate principal amount of the lien of the outstanding Assessments.

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-14 adopted by the Issuer on July 12, 2005, and the Trust Agreement.

The District was established and bonded indebtedness of the District was authorized in the amount not to exceed $41,138,240. 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. 2005-178 adopted by the City Council on July 12, 2005 (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" herein.

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, 2006 (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 construction 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 2005 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 2005 Bonds to be redeemed, plus accrued interest to the redemption date.

Redemption Date	Redemption Premium
On or Prior to September 2, 2014	3.0%
March 2, 2015 or September 2, 2015	2.0
March 2, 2016 or September 2, 2016	1.0
March 2, 2017 and thereafter	0.0

Optional Redemption. The Bonds are subject to optional redemption as a whole on any date or in part on any Interest Payment 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:

Redemption Date	Redemption Premium
On or Prior to September 2, 2014	3.0%
September 3, 2014 through September 2, 2015	2.0
September 3, 2015 through September 2, 2016	1.0
September 3, 2016 and thereafter	0.0

Mandatory Redemption. The Bonds maturing on September 2, 2019, 2025, 2030 and 2035, respectively, are also subject to mandatory redemption in part by lot on September 2 in each year commencing September 2, 2017, 2020, 2026 and 2031, 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 2019

Year (September 2)	Amount
2017	$1,025,000
2018	1,075,000
2019 (maturity)	1,130,000

Term Bonds of 2025

Year (September 2)	Amount
2020	$1,185,000
2021	1,245,000
2022	1,305,000
2023	1,370,000
2024	1,440,000
2025 (maturity)	1,510,000

Term Bonds of 2030

Year (September 2)	Amount
2026	$1,585,000
2027	1,670,000
2028	1,755,000
2029	1,845,000
2030 (maturity)	1,940,000

Term Bonds of 2035

Year (September 2)	Amount
2031	$2,035,000
2032	2,140,000
2033	2,250,000
2034	2,370,000
2035 (maturity)	2,490,000

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:

Sources:	
Principal Amount of Bonds	$40,145,000.00
Less: Original Issue Discount	(119,664.70)
Total Sources	$40,025,335.30
Uses:	
Deposit to Proceeds Fund	$34,761,808.00
Deposit to Reserve Fund	2,621,171.26
Costs of Issuance [1]	2,642,356.04
Total Uses	$40,025,335.30

[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 2005-1 Infrastructure Revenue Bonds
Series 2005
ANNUAL DEBT SERVICE

Year Ending (September 2)	Bond Principal	Bond Interest	Total
2006	$ 595,000	$2,022,841.33	$2,617,841.33
2007	690,000	1,929,270.00	2,619,270.00
2008	710,000	1,907,535.00	2,617,535.00
2009	735,000	1,883,040.00	2,618,040.00
2010	765,000	1,855,477.50	2,620,477.50
2011	795,000	1,824,877.50	2,619,877.50
2012	825,000	1,793,077.50	2,618,077.50
2013	860,000	1,759,046.26	2,619,046.26
2014	895,000	1,722,496.26	2,617,496.26
2015	935,000	1,683,340.00	2,618,340.00
2016	975,000	1,641,265.00	2,616,265.00
2017	1,025,000	1,596,171.26	2,621,171.26
2018	1,075,000	1,544,921.26	2,619,921.26
2019	1,130,000	1,491,171.26	2,621,171.26
2020	1,185,000	1,434,671.26	2,619,671.26
2021	1,245,000	1,375,421.26	2,620,421.26
2022	1,305,000	1,313,171.26	2,618,171.26
2023	1,370,000	1,247,921.26	2,617,921.26
2024	1,440,000	1,179,421.26	2,619,421.26
2025	1,510,000	1,107,421.26	2,617,421.26
2026	1,585,000	1,031,921.26	2,616,921.26
2027	1,670,000	950,690.00	2,620,690.00
2028	1,755,000	865,102.50	2,620,102.50
2029	1,845,000	775,158.76	2,620,158.76
2030	1,940,000	680,602.50	2,620,602.50
2031	2,035,000	581,177.50	2,616,177.50
2032	2,140,000	476,375.00	2,616,375.00
2033	2,250,000	366,165.00	2,616,165.00
2034	2,370,000	250,290.00	2,620,290.00
2035	2,490,000	128,235.00	2,618,235.00

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 LOCAL OBLIGATIONS 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 2005-1 (**"CIFP 2005-1"**) was adopted by the City on July 12, 2005 and is the City's eighth major such program. CIFP 2005-1 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 2005-1

The City issued a CIFP 2005-1 Report (the **"CIFP Report"**) dated July 12, 2005. 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, 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 12, 2005 (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 hereto.

The financing provided through the bond issuance will be used for improvements to Fairview Avenue, John Muir Parkway, Concord Avenue, Sand Creek Road, O'Hara Avenue, Central Boulevard, and Walnut Boulevard. 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.

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 2005-1. The total cost of the construction improvements identified in the CIFP Report is approximately $26.62 million. City development fees to be prepaid equal approximately $8.13 million. Bond related costs for the District, including the reserve fund, are estimated at $6.37 million, for a total estimated improvement project cost of $41.13 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.

CIFP 2005-1 / AD 2005-1
BRENTWOOD, CALIFORNIA

Carlson, Barbee & Gibson, Inc.
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Single Family Residential Projects

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8729 Pinn Brothers Marseilles-Small Lots 165 Units	SUBD 8729 Pinn Brothers Marseilles-Medium Lots 210 Units	SUBD 8729 Pinn Brothers Marseilles - Large Lots 78 Units	SUBD 8854 DR Horton Castello Property 108 Units	SUBD 8875 Meritage Homes Preserve III 84 Units	SUBD 8763 The Mark Pringle Co. Ashford Park II 11 Units	SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 128 Executive Units	SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 4 Winery Units
	ACQUISITION ITEMS								
1	Fairview Avenue (1A &1B)	$0	$0	$0	$1,246,656	$0	$0	$1,126,400	$35,200
2	John Muir Parkway	$0	$0	$0	$0	$0	$0	$230,400	$7,200
3	Concord Avenue and Concord Avenue Realignment	$0	$0	$0	$0	$0	$0	$115,200	$3,600
4	Water Facilities	$0	$0	$0	$0	$0	$0	$640,000	$20,000
5	Wastewater Facilities	$0	$0	$0	$0	$0	$0	$51,200	$1,600
6	Sand Creek Road	$0	$0	$0	$0	$0	$49,227	$0	$0
7	O'Hara Avenue	$0	$0	$0	$0	$1,246,140	$0	$0	$0
8	Central Boulevard	$973,500	$1,593,900	$789,750	$0	$0	$0	$0	$0
9	Walnut Boulevard	$0	$0	$0	$0	$0	$0	$0	$0
10	**SUBTOTAL (1-9)**	**$973,500**	**$1,593,900**	**$789,750**	**$1,246,656**	**$1,246,140**	**$49,227**	**$2,163,200**	**$67,600**
	PREPAID FEES								
11	Prepaid Roadway Fee	$660,000	$840,000	$312,000	$0	$0	$0	$0	$0
12	Prepaid Water Facilities Fee	$660,000	$840,000	$312,000	$459,175	$92,400	$46,768	$0	$0
13	Prepaid Wastewater Facilities Fee	$495,000	$630,000	$234,000	$393,149	$294,000	$40,043	$0	$0
14	Prepaid Parks & Trails Fee	$0	$0	$0	$0	$0	$77,747	$0	$0
15	Prepaid Infrastructure Fees	$0	$0	$0	$0	$0	$0	$0	$0
16	**SUBTOTAL (11 through 15)**	**$1,815,000**	**$2,310,000**	**$858,000**	**$852,324**	**$386,400**	**$164,558**	**$0**	**$0**
17	**TOTAL COST (10 + 16)**	**$2,788,500**	**$3,903,900**	**$1,647,750**	**$2,098,980**	**$1,632,540**	**$213,785**	**$2,163,200**	**$67,600**
	BOND ISSUANCE COSTS								
18	Bond Counsel (1.1%)	$36,300	$50,820	$21,450	$27,324	$21,252	$2,783	$28,160	$880
19	Disclosure Counsel (0.4%)	$13,200	$18,480	$7,800	$9,936	$7,728	$1,012	$10,240	$320
20	Bond Printing (0.2%)	$6,600	$9,240	$3,900	$4,968	$3,864	$506	$5,120	$160
21	Registrar and Paying Agent (0.1%)	$3,300	$4,620	$1,950	$2,484	$1,932	$253	$2,560	$80
22	Appraisals (0.2%)	$6,600	$9,240	$3,900	$4,968	$3,864	$506	$5,120	$160
23	Assessment Engineer (1.5%)	$49,500	$69,300	$29,250	$37,260	$28,980	$3,795	$38,400	$1,200
24	Bond Discount (2%)	$66,000	$92,400	$39,000	$49,680	$38,640	$5,060	$51,200	$1,600
25	Bond Reserve Fund (8.5%)	$280,500	$392,700	$165,750	$211,140	$164,220	$21,505	$217,600	$6,800
26	City Administration Fee (1.5%)	$49,500	$69,300	$29,250	$37,260	$28,980	$3,795	$38,400	$1,200
27	Capitalized Interest (0%)	$0	$0	$0	$0	$0	$0	$0	$0
28	**Subtotal Bond Issuance Costs (18 to 27)**	**$511,500**	**$716,100**	**$302,250**	**$385,020**	**$299,460**	**$39,215**	**$396,800**	**$12,400**
29	**Total Assessment (17+28)**	**$3,300,000**	**$4,620,000**	**$1,950,000**	**$2,484,000**	**$1,932,000**	**$253,000**	**$2,560,000**	**$80,000**
30	Assessment Per Unit	$20,000 (per unit)	$22,000 (per unit)	$25,000 (per unit)	$23,000 (per unit)	$23,000 (per unit)	$23,000 (per unit)	$20,000 (per unit)	$20,000 (per unit)

CIFP 2005-1 / AD 2005-1
BRENTWOOD, CALIFORNIA

Carlson, Barbee & Gibson, Inc.
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	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	*Active Adult Residential Projects* SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 1,016 Active Adult Units	SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 84 Active Adult Duet Units	*"Other Acres"* Walnut Acres Mobile Home Park 012-170-005 11.35 Acres	*"Individual Landowners" (Title and Ownership Verified by the City of Brentwood, April 29, 2005)* Goldsby 440 Lone Oak Court 016-080-017 1 Unit	Dabill 540 Saddle Creek Court 016-080-022 1 Unit	Biglow, T. 534 Saddle Creek Court 016-080-026 1 Unit	Biglow, B. 530 Saddle Creek Court 016-080-027 1 Unit	Maselli 520 Saddle Creek Court 016-080-029 1 Unit	Mederos 601 Gracie Lane 016-100-010 3 Units
	ACQUISITION ITEMS									
1	Fairview Avenue (1A &1B)	$7,950,720	$184,800	$0	$0	$0	$0	$0	$0	$0
2	John Muir Parkway	$2,458,720	$37,800	$0	$0	$0	$0	$0	$0	$0
3	Concord Avenue and Concord Avenue Realignment	$1,153,160	$18,900	$0	$0	$0	$0	$0	$0	$0
4	Water Facilities	$6,096,000	$105,000	$0	$0	$0	$0	$0	$0	$0
5	Wastewater Facilities	$467,360	$8,400	$0	$0	$0	$0	$0	$0	$0
6	Sand Creek Road	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	O'Hara Avenue	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	Central Boulevard	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	Walnut Boulevard	$0	$0	$18,421	$0	$0	$0	$0	$0	$0
10	**SUBTOTAL (1-9)**	**$18,125,960**	**$354,900**	**$18,421**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	PREPAID FEES									
11	Prepaid Roadway Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0
12	Prepaid Water Facilities Fee	$0	$0	$0	$4,252	$4,252	$4,252	$4,252	$4,252	$12,756
13	Prepaid Wastewater Facilities Fee	$0	$0	$0	$3,640	$3,640	$3,640	$3,640	$3,640	$10,920
14	Prepaid Parks & Trails Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	Prepaid Infrastructure Fees	$1,620,000	$0	$0	$0	$0	$0	$0	$0	$0
16	**SUBTOTAL (11 through 15)**	**$0**	**$0**	**$0**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$23,676**
17	**TOTAL COST (10 + 16)**	**$19,745,960**	**$354,900**	**$18,421**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$23,676**
	BOND ISSUANCE COSTS									
18	Bond Counsel (1.1%)	$257,048	$4,620	$240	$103	$103	$103	$103	$103	$308
19	Disclosure Counsel (0.4%)	$93,472	$1,680	$87	$37	$37	$37	$37	$37	$112
20	Bond Printing (0.2%)	$46,736	$840	$44	$19	$19	$19	$19	$19	$56
21	Registrar and Paying Agent (0.1%)	$23,368	$420	$22	$9	$9	$9	$9	$9	$28
22	Appraisals (0.2%)	$46,736	$840	$44	$19	$19	$19	$19	$19	$56
23	Assessment Engineer (1.5%)	$350,520	$6,300	$327	$140	$140	$140	$140	$140	$420
24	Bond Discount (2%)	$467,360	$8,400	$436	$187	$187	$187	$187	$187	$560
25	Bond Reserve Fund (8.5%)	$1,986,280	$35,700	$1,853	$794	$794	$794	$794	$794	$2,382
26	City Administration Fee (1.5%)	$350,520	$6,300	$327	$140	$140	$140	$140	$140	$420
27	Capitalized Interest (0%)	$0	$0	$0	$0	$0	$0	$0	$0	$0
28	**Subtotal Bond Issuance Costs (18 to 27)**	**$3,622,040**	**$65,100**	**$3,379**	**$1,448**	**$1,448**	**$1,448**	**$1,448**	**$1,448**	**$4,344**
29	**Total Assessment (17+28)**	**$23,368,000**	**$420,000**	**$21,800**	**$9,340**	**$9,340**	**$9,340**	**$9,340**	**$9,340**	**$28,020**
30	Assessment Per Unit	$23,000 (per unit)	$5,000 (per unit)	$1,921 (per acre)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)

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	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	Kalinowski 571 Gracie Lane 016-100-017 1 Unit	Jensen 1721 Lone Oak Road 016-100-019 1 Unit	Galey 1681 Lone Oak Road 016-100-021 1 Unit	Troy 541 Saddle Creek Court 016-240-001 1 Unit	Gaudinier 531 Saddle Creek Court 016-240-002 1 Unit	Tague 521 Saddle Creek Court 016-240-003 1 Unit	Griffin 441 Lone Oak Court 016-250-001 1 Unit	Barr 431 Lone Oak Court 016-250-002 1 Unit	TOTAL Dwelling Units: 804 SFR 1,016 ASR 84 DuetASR 11.35 Acres
	ACQUISITION ITEMS									
1	Fairview Avenue (1A &1B)	$0	$0	$0	$0	$0	$0	$0	$0	$10,543,776
2	John Muir Parkway	$0	$0	$0	$0	$0	$0	$0	$0	$2,734,120
3	Concord Avenue and Concord Avenue Realignment	$0	$0	$0	$0	$0	$0	$0	$0	$1,290,860
4	Water Facilities	$0	$0	$0	$0	$0	$0	$0	$0	$6,861,000
5	Wastewater Facilities	$0	$0	$0	$0	$0	$0	$0	$0	$528,560
6	Sand Creek Road	$0	$0	$0	$0	$0	$0	$0	$0	$49,227
7	O'Hara Avenue	$0	$0	$0	$0	$0	$0	$0	$0	$1,246,140
8	Central Boulevard	$0	$0	$0	$0	$0	$0	$0	$0	$3,357,150
9	Walnut Boulevard	$0	$0	$0	$0	$0	$0	$0	$0	$18,421
10	**SUBTOTAL (1-9)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$26,629,254**
	PREPAID FEES									
11	Prepaid Roadway Fee	$0	$0	$0	$0	$0	$0	$0	$0	$1,812,000
12	Prepaid Water Facilities Fee	$4,252	$4,252	$4,252	$4,252	$4,252	$4,252	$4,252	$4,252	$2,478,375
13	Prepaid Wastewater Facilities Fee	$3,640	$3,640	$3,640	$3,640	$3,640	$3,640	$3,640	$3,640	$2,144,432
14	Prepaid Parks & Trails Fee	$0	$0	$0	$0	$0	$0	$0	$0	$77,747
15	Prepaid Infrastructure Fees	$0	$0	$0	$0	$0	$0	$0	$0	$1,620,000
16	**SUBTOTAL (11 through 15)**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$8,132,554**
17	**TOTAL COST (10 + 16)**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$34,761,808**
	BOND ISSUANCE COSTS									
18	Bond Counsel (1.1%)	$103	$103	$103	$103	$103	$103	$103	$103	$452,521
19	Disclosure Counsel (0.4%)	$37	$37	$37	$37	$37	$37	$37	$37	$164,553
20	Bond Printing (0.2%)	$19	$19	$19	$19	$19	$19	$19	$19	$82,276
21	Registrar and Paying Agent (0.1%)	$9	$9	$9	$9	$9	$9	$9	$9	$41,138
22	Appraisals (0.2%)	$19	$19	$19	$19	$19	$19	$19	$19	$82,276
23	Assessment Engineer (1.5%)	$140	$140	$140	$140	$140	$140	$140	$140	$617,074
24	Bond Discount (2%)	$187	$187	$187	$187	$187	$187	$187	$187	$822,765
25	Bond Reserve Fund (8.5%)	$794	$794	$794	$794	$794	$794	$794	$794	$3,496,750
26	City Administration Fee (1.5%)	$140	$140	$140	$140	$140	$140	$140	$140	$617,074
27	Capitalized Interest (0%)	$0	$0	$0	$0	$0	$0	$0	$0	$0
28	**Subtotal Bond Issuance Costs (18 to 27)**	**$1,448**	**$1,448**	**$1,448**	**$1,448**	**$1,448**	**$1,448**	**$1,448**	**$1,448**	**$6,376,427**
29	**Total Assessment (17+28)**	**$9,340**	**$9,340**	**$9,340**	**$9,340**	**$9,340**	**$9,340**	**$9,340**	**$9,340**	**$41,138,235**
30	Assessment Per Unit	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	

Construction and Acquisition of the Improvements

Improvements Constructed by Developer. A portion of the proceeds of the Local Obligations will be used to acquire Improvements from the five developers owning property in the District pursuant to a separate Funding, Acquisition and Disclosure 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 CIFP 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 2005-1
Summary of Total Assessments for the Improvements

Owner or Developer [1]	Tract/APN	Total Assessment	Estimated Annual Special Assessment Installment
Pinn Brothers	SUBD 8729 (Small Lots)	$20,000 per unit	$1,640 per unit
	SUBD 8729 (Medium Lots)	$22,000 per unit	$1,804 per unit
	SUBD 8729 (Large Lots)	$25,000 per unit	$2,050 per unit
D.R. Horton	SUBD 8854	$23,000 per unit	$1,886 per unit
Meritage Homes	SUBD 8875	$23,000 per unit	$1,886 per unit
The Mark Pringle Co.	SUBD 8763	$23,000 per unit	$1,886 per unit
Trilogy Vineyards, LLC	SUBD 8796 (Executive Lots)	$20,000 per unit	$1,640 per unit
	SUBD 8796 (Winery Lots)	$20,000 per unit	$1,640 per unit
	SUBD 8796 (Active Adult Lots)	$23,000 per unit	$1,886 per unit
	SUBD 8796 (Active Adult DuetLots)	$5,000 per unit	$410 per unit
Walnut Acres	APN: 012-170-005	$1,921 per acre	$157 per acre
William Goldsby and Mary	APN: 016-080-017	$9,340 per unit	$766 per unit
Wheeland-Goldsby	APN: 016-080-017	$9,340 per unit	$766 per unit
Timothy and Tina Dabill	APN: 016-080-022	$9,340 per unit	$766 per unit
Timothy and Rosemary Biglow	APN: 016-080-026	$9,340 per unit	$766 per unit
Barbara Biglow	APN: 016-080-027	$9,340 per unit	$766 per unit
Ronald and Wanda Maselli	APN: 016-080-029	$9,340 per unit	$766 per unit
Robert and Linda Mederos	APN: 016-100-010	$9,340 per unit	$766 per unit
Stanley and Marie Kalinowski	APN: 016-100-017	$9,340 per unit	$766 per unit
Elwood Jensen	APN: 016-100-019	$9,340 per unit	$766 per unit
Gerald and Lucinda Galey	APN: 016-100-021	$9,340 per unit	$766 per unit
James and Karen Troy	APN: 016-240-001	$9,340 per unit	$766 per unit
Raymond and Hazel Gaudinier	APN: 016-240-002	$9,340 per unit	$766 per unit
John and Cheryl Tague	APN: 016-240-003	$9,340 per unit	$766 per unit
William and Natalie Griffin	APN: 016-250-001	$9,340 per unit	$766 per unit
Stephen and Kathleen Barr	APN: 016-250-002	$9,340 per unit	$766 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 seven non-contiguous clusters of parcels within the City, comprising approximately 670.26 gross acres, summarized as follows.

Single Family Residential (Undeveloped)	632.27 acres
Single Family Residential (Developed-14 homes)	26.64
Existing Mobile Home Park	11.35
Total	670.26

The properties have frontage along either interior streets or major thoroughfares, including Balfour Road, O'Hara Avenue, Concord Avenue, Fairview Avenue, Central Boulevard, Apricot Way and Walnut Boulevard. Primary access to the various areas are from three major thoroughfares: Lone Tree Way, Fairview Avenue and Balfour Road. 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. 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 hereto.

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. The properties in the District are located outside of the100-year flood plain, and flood insurance is not required. This information is in accordance with the Letters of Map Revision (LOMAR) to the Federal Emergency Management Agency's Flood Insurance Rate Map, Community Panel Numbers 060025-0355B, –0360B and –0365B, dated July 16, 1987.

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" herein.

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 1,904 single family residential lots for development by 5 separate homebuilders, with tentative subdivision map approvals on approximately 603.65 acres (plus approximately 28.6 acres expected to be used for a winery and other uses and not subject to an assessment), (ii) an existing mobile home park comprising 11.35 acres, and (iii) 14 existing single-family residences situated on parcels ranging from 1.00 to 3.65 acres, owned by homeowners. There are also a number of land areas (public/quasi-public, commercial, and multifamily) that are within the boundaries of the District but will not be encumbered by the assessments. The assessable land is summarized as follows:

Developer	Tract	APN	Owner or Developer	Land Area (Acres)
Pinn Brothers	SUBD 8729	017-131-025	PBP Limited Partners	10.94
		017-140-002	PBP Limited Partners	0.60
		017-140-003	PBP Limited Partners	0.36
		017-140-005	PBP Limited Partners	3.00
		017-140-026	PBP Limited Partners	6.15
		017-140-027	PBP Limited Partners	2.76
		017-160-003	PBP Limited Partners	6.99
		017-170-005	PBP Limited Partners	46.63
D.R. Horton	SUBD 8854	012-020-012	Western Pacific Housing [D.R. Horton]	41.64
Meritage Homes	SUBD 8875	018-090-011	Harold and Brenda Dominguez	5.00
		018-090-013	Meritage Homes (under option)	4.45
		018-090-019	Meritage Homes (under option)	5.04
		018-110-006	Phyllis Drummond	5.69
		018-110-007	Burl and Rhea Blalock	13.52
The Mark Pringle Co.	SUBD 8763	019-100-017	Ashford Park II Investors	5.09
Trilogy Vineyards, LLC	SUBD 8796	007-380-001	Trilogy Vineyards, LLC	454.56
		007-380-016	Trilogy Vineyards, LLC	19.85
Not applicable	Not applicable	012-170-005	Walnut Acres Mobile Home Park, Inc.	11.35
Not applicable	Not applicable	016-080-017	Wm Goldsby and Mary Wheeland-Goldsby	1.00
Not applicable	Not applicable	016-080-022	Timothy and Tina Dabill	2.15
Not applicable	Not applicable	016-080-026	Timothy and Rosemary Biglow	1.95
Not applicable	Not applicable	016-080-027	Barbara Biglow	1.34
Not applicable	Not applicable	016-080-029	Ronald and Wanda Maselli	2.06
Not applicable	Not applicable	016-100-010	Robert and Linda Mederos	3.65
Not applicable	Not applicable	016-100-017	Stanley and Marie Kalinowski	1.48
Not applicable	Not applicable	016-100-019	Elwood Jensen	1.08
Not applicable	Not applicable	016-100-021	Gerald and Lucinda Galey	1.01
Not applicable	Not applicable	016-240-001	James and Karen Troy	2.20
Not applicable	Not applicable	016-240-002	Raymond and Hazel Gaudinier	2.18
Not applicable	Not applicable	016-240-003	John and Cheryl Tague	2.18
Not applicable	Not applicable	016-250-001	William and Natalie Griffin	2.18
Not applicable	Not applicable	016-250-002	Stephen and Kathleen Barr	2.18
			Total	**670.26**

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". 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.

Tract	Owner/Developer	Zoning
SUBD 8729	Pinn Brothers	PD-44
SUBD 8854	D.R Horton.	PD-5
SUBD 8875	Meritage Homes	PD-60
SUBD 8763	The Mark Pringle Co.	PD-35
SUBD 8796	Trilogy Vineyards, Inc.	PD-64

The Walnut Acres mobile home park is zoned R-2: Moderate Density Multifamily Residential, which allows a maximum density of nine dwelling units per acre. The 14 single-family residences are situated on parcels ranging from 1.00 to 3.65 acres and are zoned RE: Ranchette Estate, a single-family residential ordinance stipulating a minimum lot size of one acre. In accordance with the General Plan, as well as the Planned Development zoning ordinances, the properties represent legally conforming uses, as proposed and improved (residences).

There are five separate ownership entities for the undeveloped residential property in the District (except as to some parcels, the developer is under an option contract to purchase the parcels). 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.

CITY OF BRENTWOOD
Assessment District 2005-1
Assessments by Owner/Developer and Land Use

	# lots	Acreage	Assessment	% of Assm't
Single Family Res.				
Shea Homes (Trilogy)	1,232	474.41	26,428,000	64.24
Pinn Brothers	453	77.43	$9,870,000	23.99%
DR Horton	108	41.64	2,484,000	6.04
Meritage Homes	84	33.7	1,932,000	4.70
Mark Pringle	11	5.09	253,000	0.61
Walnut Acres		11.35	21,800	0.05
Individual Owners[1]	16	26.64	149,440	0.36
Total	1,904	670.26	41,138,240	100.00%

[1] Existing homes.

Trilogy Vineyards LLC; Subdivision 8796 (64.24% of the Assessment). Subdivision 8796 comprises 2 parcels located in the southern area of the City, south and west of Concord Avenue and consists of a total of 474.41 gross acres (Assessor's Parcel Nos. 007-380-001 and 016). The parcels are proposed for single-family and multi-family units, commercial, winery/amphitheater and public/quasi-public uses, however only the single family residential land is subject to a District assessment. The assessed land is expected to be marketed as "Vineyards at Marsh Creek" and has tentative map approval for 128 single-family residential lots (15,000 square feet typical lot size), four winery lots (13,000 square feet typical lot size), and 1,100 active adult lots (7,100 square feet typical lot size). The subdivision is currently planned to be developed in five phases.

The 1100 homes are planned to be built by Shea Homes Limited Partnership, a California Limited Partnership (an affiliate of the owner limited liability company) and to range in size from approximately 1,734 to 3,432 square feet in nine floorplans. Construction of homes is projected to begin in mid-2006 with initial closings to homeowners projected for late 2006. The property owner expects to sell the 128 estate lots to an unaffiliated development entity.

The managing general partner of Shea Homes Limited Partnership, a California Limited Partnership is J.F. Shea Co., Inc., a Nevada corporation ("J.F. Shea"). J.F. Shea owns a 20% interest in Shea Homes Limited Partnership, a California Limited Partnership.

Shea Homes Limited Partnership, a California Limited Partnership ("Shea Homes") was formed in 1989 as a separate J.F. Shea affiliate to own and operate the residential building business of J.F. Shea, which was originally started in 1968. Shea Homes currently constructs and sells residential units primarily in California, Colorado and Arizona and builds a diverse selection of residential homes, including town homes, condominiums and detached single family homes.

J.F. Shea is a family-owned corporation that has been in business for over 120 years. Together with its affiliates and subsidiaries, J.F. Shea is a builder and developer of master planned communities, homes, apartments, offices, industrial parks and neighborhood and community shopping centers and also operates as a civil infrastructure contractor and venture capital investor. The owners of J.F. Shea are members of the Shea families.

J.F. Shea has been involved in a wide variety of construction activities since 1881, including such heavy construction projects as the Hoover Dam, the Golden Gate Bridge, the Washington, D.C. Metro system, the BART system in the San Francisco Bay area, and the California Aqueduct.

Infrastructure improvements required for development including on-site and off-site subdivision improvements not financed with proceeds of the Bonds, as well as home construction, are planned to be financed through internally available funds.

Information on Shea Homes and its affiliates, including current home offerings, is available on the internet from its website at www.sheahomes.com and information on J.F. Shea is available on the internet from its website at www.jfshea.com. The website addresses are 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.

Other Development Experience. Shea Homes, through its affiliate Shea Properties, currently has a variety of multifamily and commercial and industrial projects in various stages of planning and construction in a number of states. The Developer has seven homebuilding divisions, staffed by nearly 1,000 employees, which are active in Arizona, California, Colorado and North Carolina.

Pinn Brothers; Subdivision 8729 (23.99% of the Assessment)

Subdivision 8729 within the District comprises approximately 77.43 acres located north of Dainty Avenue, west of Walnut Boulevard, and south of Marsh Creek Channel and is to be marketed as the "Marseilles" subdivision. Upon completion of site development, the project will consist of 455 single-family residential lots ranging from 1,512 to 17,458 square feet as follows: 166 small lots (typical lot size 1,900 square feet) 211 medium lots (typical lot size 5,000 square feet); and 78 large lots (typical lot size 8,500 square feet). Also proposed for within the acreage is development not subject to an assessment, which is planned for a recreational center,

multifamily housing (on a 3.9-acre site approved for the development of 108 units), and three neighborhood parks. Home development is planned to occur in multiple phases beginning in Spring 2006. Model homes are currently projected to be opened in Fall of 2006, with 15 models panned. Initial closings of sales to homeowners are projected for late 2006.

Property in the District to be developed by Pinn Brothers is owned by PBP Limited Partnership, a California limited partnership, controlled by Alan Pinn and David Pinn, who are also the President and Vice President respectively of Pinn Brothers Construction, Inc. The company was established in 1974 in San Jose and its headquarters remain there. The company reports that in 2004 it was the third-largest homebuilding company in the San Francisco Bay Area and the 116th-largest homebuilding company in the United States, having built more than 3,000 homes, primarily in San Jose, Contra Costa, Marin and Santa Clara counties. Subdivisions currently being marketed by Pinn Brothers include Bella Villagio (126 units, 107 sold) and Orchard Heights (85 units, 49 sold) in San Jose and Vinsanto (192 units, 177 sold) in Livermore.

Infrastructure improvements required for development including on-site and off-site subdivision improvements not financed with proceeds of the Bonds, as well as home construction, are anticipated to be financed through internally available funds and a construction loan in the amount of $45,000,000 from Indymac Bank.

Information on current home offerings of Pinn Brothers is available on the internet from its website at www.pinnbrothers.com. The website address is given for reference and convenience only, the information on the website 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.

D.R. Horton Inc.; Subdivision 8854 (6.04% of the Assessment) Subdivision 8854 is located at the northeast corner of Balfour Road and Fairview Avenue and has tentative map approval for 112 residential lots. Four of the lots have been designated for half-plex affordable housing units, and one lot will be developed with a four-plex affordable housing unit. Also proposed are a 2.00-acre neighborhood park and 10.50-acre commercial site (not subject to an assessment).

Home construction is projected to begin in October 2006, with 5 model homes projected to open in September 2006. Initial home deliveries to buyers are expected approximately 5 months after construction begins. No floorplan information is currently available.

Ownership and Development Experience. Land in the District to be developed by D.R. Horton, Inc. (**"D.R. Horton"**) is owned by its wholly owned subsidiary Western Pacific Housing Inc, a Delaware corporation and a California builder of single-family attached and detached homes with operations in the Bay Area surrounding San Francisco and San Jose, Sacramento Valley, Orange County, the Inland Empire (Riverside and San Bernardino Counties), San Diego, and Los Angeles/Ventura County. D.R. Horton is a publicly traded corporation based in Arlington, Texas, formed in 1993 by Eugene Rosenfeld and private institutional equity investors. D.R. Horton reports that in 2003 it maintained its 26th consecutive year of growth in revenues and profitability, and that in such year it was the number one homebuilder in America based on number of home deliveries. For both 2003 and 2004, D.R. Horton reported deliveries of over 30,000 homes per year.

The property was acquired in March 2005. Funding of the cost of construction of the improvements in the District, including homes, is expected to come from internally available funds. The property in the District owned by D.R. Horton is not subject to any deed of trust lien.

Further information about D.R. Horton is available from a link on the Western Pacific website to www.drhorton.com and further information about Western Pacific is available on its internet home page at www.westernpacifichousing.com. The D.R. Horton website includes an investor relations section with financial information on the company. The website addresses are 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.

Meritage Homes; Subdivision 8875 (4.70% of the Assessment). Meritage Home Corporation is currently under contract to purchase from local families 5 parcels totaling approximately 26.9 acres with tentative map approval for 84 single family homes. Home development is planned to occur in multiple phases beginning in Spring 2006. No model homes are planned, as models in an adjacent Meritage subdivision will be used for marketing. Initial closings of sales to homeowners are projected for September 2006. Lot sizes average 10,200 square feet.

Meritage Homes is one of the nation's largest homebuilders and is publicly traded on the New York Stock Exchange under the symbol "MTH". It reports that it was recently named number one for five-year annualized total return on *Forbes* Platinum 400 list of America's Best Big Companies in terms of five-year annualized total return. Also, Fortune included the Company as a "top pick from 50 great investors" in its Investor's Guide 2004. Meritage Home reports that it has delivered more than 35,000 homes, ranging from entry level to semi-custom luxury, primarily in rapidly-growing states of the South and West, including six of the top ten housing markets in the country.

Infrastructure improvements required for development including on-site and off-site subdivision improvements not financed with proceeds of the Bonds, as well as home construction, are anticipated to be financed through internally available funds.

Information Meritage Homes is available on the internet from its website at www.meritagehomes.com, which information includes an investor relations page. The website address is given for reference and convenience only, the information on the website 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.

The Mark Pringle Company; Subdivision 8763 (0.61% of the Assessment). Subdivision 8763 is situated within Assessor's parcel No. 019-100-017, which contains approximately 4.84 acres. The parcel is currently improved with a single-family residence; however, the property has final map approval such that the existing home will be located on a single newly created approximate 1-acre parcel, while the remainder of the property comprises 11 new lots ranging from 9,020 to 20,082 square feet (typical lot size: 10,000 square feet). The existing single family residence lot is not subject to an Assessment. The developer reports that each of the 11 lots is the subject of a purchase contract for sale of a home to an individual homeowner for prices ranging from approximately $735,000 to $895,000. Home construction is projected to begin in July 2005 and the home sales are expected to close between January and April 2006.

Ownership and Development Experience. The property is owned by Ashford Park I Investors LLC, the managing member of which is The Mark Pringle Company. The principal of The Mark Pringle Company is Mark Pringle, a home developer with 20 years of experience. Mr. Pringle has built over 200 homes in the San Francisco Bay Area.

Individual Land Owners (0.36% of the Assessment). The 14 existing single-family residences are located generally south of Gracie Lane, north of Sand Creek Road, and west of Lone Oak Road. The residences are situated on parcels ranging from 1.00 to 3.65 acres and are zoned RE: Ranchette Estate, a single-family residential ordinance stipulating a minimum lot size of one acre. The parcels are each improved with a single-family residence, all of which were constructed from the late-1960s to early 1990s.

Mobile Home Park (0.05% of the Assessment). The 11.35-acre mobile home park site (APN 012-170-005) is located north of Balfour Road and east of Walnut Boulevard, within the southeastern portion of Brentwood. The property is zoned R-2: Moderate Density Multifamily Residential, which allows a maximum density of nine dwelling units per acre. Permitted uses include single-family lots, duplexes, triplexes, townhouses, apartments and mobile homes. Additionally, the property has approvals for use as a 94-unit mobile home park. Common area amenities include a clubhouse, swimming pool, billiards room and laundry facility.

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 1,003,900 as of January 1, 2005, 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."

APPRAISED VALUE OF PROPERTY WITHIN THE DISTRICT

Appraisal Report

The City authorized the preparation of an appraisal report dated June 17, 2005 (the **"Appraisal"**) for the real property in the District valued as of June 3, 2005 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 component, of the parcels in the District subject to the assessment. The valuation conclusion is as of June 3, 2005 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.

In estimating the hypothetical market values of the 14 individually owned developed residential parcels, the Appraiser only considered the value of the underlying land.

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 property as of the June 3, 2005 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 $258,810,000. 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 June 3, 2005 based upon data available at that time, consequently it does not reflect any changes to value that might have occurred due to occurrences since June 3, 2005 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."

Value to Lien Ratio

The aggregate property valuation of the real property within the District has been determined by the Appraiser to be $258,810,000 as of June 3, 2005. See "Appraisal Report" above. The principal amount of the lien of the assessment with respect to the Local Obligations is $41,138,240. Consequently, the aggregate value of the real property within the District is approximately 6.29 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 2005-1
Value to Lien Ratios By Developer

	# lots	Acreage	Assessment	Value	Ratio	%
Single Family Res.						
Shea Homes (Trilogy)	1,232	474.41	$ 26,428,000	$ 158,700,000	6.00:1	64.24%
Pinn Brothers	453	77.43	9,870,000	58,060,000	5.88:1	23.99
DR Horton	108	41.64	2,484,000	19,500,000	7.85:1	6.04
Meritage Homes	84	33.7	1,932,000	10,800,000	5.59:1	4.70
Mark Pringle	11	5.09	253,000	1,880,000	7.43:1	0.61
Walnut Acres		11.35	21,800	5,620,000	257.80:1	0.05
Individual Owners	16	26.64	149,440	4,250,000	28.44:1	0.36
Total	1,904	670.26	$41,138,240	$258,810,000	6.29:1	100.00%

CITY OF BRENTWOOD
Assessment District 2005-1
Value to Lien Ratios By Land Use

	No. of Lots	Assessment/ Lot	Assessment	Appraised Value	Ratio
Shea Homes (Trilogy)					
Subd 8796 (Executive Lots)	128	$20,000	$ 2,560,000	$ 23,460,000	9.16:1
Subd 8796 (Winery Lots)	4	20,000	80,000	690,000	8.63:1
Subd 8796 (Active Adult)	1,016	23,000	23,368,000	126,640,000	5.42:1
Subd 8796 (Duets)	84	5,000	420,000	7,910,000	18.83:1
Pinn Brothers					
Subd 8729 (Small Lots)	165	20,000	3,300,000	14,060,000	4.26:1
Subd 8729 (Medium Lots)	210	22,000	4,620,000	30,490,000	6.60:1
Subd 8729 (large lots)	78	25,000	1,950,000	13,510,000	6.93:1
DR Horton					
Subd 8854 (Castello)	108	23,000	2,484,000	19,500,000	7.85:1
Meritage Homes					
Subd 8875 (Preserve III)	84	23,000	1,932,000	10,800,000	5.59:1
Mark Pringle	11	23,000	253,000	1,880,000	7.43:1
Subd 8763 (Ashford Park)					
Walnut Acres Mobile Home Park	11.35 acres		21,800	5,620,000	257.80:1
Individual Owners	16	9,340	149,440	4,250,000	28.44:1
Totals	1,904		41,138,240	258,810,000	6.29:1

Property Tax Status

The City reports that there are currently no delinquencies on the payment of taxes and assessments billed for the 2004-05 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 "THE DISTRICT - Appraisal Report," 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.

The Appraisal is based primarily upon a sales comparison approach, which determines the value of the subject property by comparing it to sales of comparable property, adjusted for differences between the subject and the comparable property. No assurance can be given that if a parcel with delinquent assessment installments is foreclosed, any bid will be received for such property or, if a bid is received, that such bid will be equal to the value determined by an appraiser or sufficient to pay delinquent installments of unpaid 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

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 it does not affect property in the District. 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 XIIIA

On June 6, 1978, the California voters added Article XIIIA 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 XIIIA 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 XIIIA 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 XIIIA in a case decided in June 1992.

Article XIIIA 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 XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. 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 XIIIB

On November 6, 1979, the voters of the State approved Proposition 4, known as the Gann Initiative, which added Article XIIIB. On June 5, 1990, the voters approved Proposition 111,

which amended Article XIIIB in certain respects. Under Article XIIIB, 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 XIIIB 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 XIIIB, 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 XIIIC and XIIID 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 XIIID 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 XIIID. 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 XIIIC removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Article XIIIC 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 XIIIC 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 2005-2005, 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 certainly 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 2004-05 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 E - FORM OF CONTINUING DISCLOSURE UNDERTAKINGS." Trilogy Vineyards LLC and PBP Limited Partnership 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"**), 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 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.

Certain requirements and procedures contained or referred to in the Indenture, 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.

UNDERWRITING

RBC Dain Rauscher, the Underwriter of the Bonds, has agreed to purchase the Bonds from the Issuer at a purchase price of $39,222,435.30, being the aggregate principal amount of the Bonds, less an Underwriter's discount of $802,900 and less an original issue discount of $119,664.70. The purchase contract pursuant to which the Underwriter is purchasing the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in such contract of purchase.

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

MISCELLANEOUS

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

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

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

BRENTWOOD INFRASTRUCTURE FINANCING AUTHORITY

By: /s/ Pam Ehler
Treasurer/Controller

CITY OF BRENTWOOD

By: /s/ Pam Ehler
Director of Finance and Information Systems

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. 2005-1
Brentwood, California

Date of Report: June 17, 2005

Prepared For:

Mr. Paul Eldredge, Assistant City Engineer
City of Brentwood
120 Oak Street
Brentwood, California 94513

Prepared By:

P. Richard Seevers, MAI
Kevin K. Ziegenmeyer, Appraiser
Nelson M. Wong, Appraiser

Seevers
Jordan
Ziegenmeyer

Real Estate Appraisal & Consultation

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

Seevers
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Real Estate Appraisal & Consultation

June 17, 2005

Mr. Paul Eldredge, Assistant City Engineer
City of Brentwood
120 Oak Street
Brentwood, California 94513

RE: Properties within Assessment District (AD) No. 2005-1
Brentwood, California

Dear Mr. Eldredge:

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 the properties within Assessment District (AD) No. 2005-1, which also represent a portion of Capital Improvement Financing Program (CIFP) 2005-1, under the assumptions and conditions contained in this report.

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. 2005-1 bond issuance is scheduled to fund certain portions of public improvements required for the following components: 1,888 single-family residential lots, a mobile home park comprising 11.35 acres of land area, and the underlying land of 14 single-family residences situated on parcels ranging from 1.00 to 3.65 acres. The financing provided through the bond issuance will be used for improvements to Fairview Avenue, John Muir Parkway, Concord Avenue, Sand Creek Road, O'Hara Avenue, Central Boulevard, and Walnut Boulevard. 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, as well as major water and wastewater facilities.

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. 2005-1. There are also a number of sites (public/quasi-public, commercial, and multifamily) that are within the boundaries of the District but will not be encumbered by an assessment lien. Thus, these land areas are excluded from our analysis.

Owner/Developer	Tract/APN	Land Use	Land Area (Acres)	No. of Lots	Typical Lot Size (SF)
Pinn Brothers	SUBD 8729 (Small Lots)	Single-Family	77.43	165	1,900
	SUBD 8729 (Medium Lots)			210	5,000
	SUBD 8729 (Large Lots)			78	8,500
Western Pacific Housing	SUBD 8854	Single-Family	41.64	108	7,540
Meritage Homes	SUBD 8875	Single-Family	33.70	84	10,200
The Mark Pringle Co.	SUBD 8763	Single-Family	5.09	11	10,000
Trilogy Vineyards, LLC	SUBD 8796 (Executive Lots)	Single-Family	474.41	128	15,000
	SUBD 8796 (Winery Lots)	Single-Family		4	13,000
	SUBD 8796 (Active Adult Lots)	Single-Family		1,016	5,400
	SUBD 8796 (Adult Duet Lots)	Single-Family		84	2,500
Walnut Acres	APN: 012-170-005	Mobile Home Park	11.35	-	-
William Goldsby and Mary Wheeland-Goldsby	APN: 016-080-017	Residence	1.00	-	-
Timothy and Tina Dabill	APN: 016-080-022	Residence	2.15	-	-
Timothy and Rosemary Biglow	APN: 016-080-026	Residence	1.95	-	-
Barbara Biglow	APN: 016-080-027	Residence	1.34	-	-
Ronald and Wanda Maselli	APN: 016-080-029	Residence	2.06	-	-
Robert and Linda Mederos	APN: 016-100-010	Residence	3.65	-	-
Stanley and Marie Kalinowski	APN: 016-100-017	Residence	1.48	-	-
Elwood Jensen	APN: 016-100-019	Residence	1.08	-	-
Gerald and Lucinda Galey	APN: 016-100-021	Residence	1.01	-	-
James and Karen Troy	APN: 016-240-001	Residence	2.20	-	-
Raymond and Hazel Gaudinier	APN: 016-240-002	Residence	2.18	-	-
John and Cheryl Tague	APN: 016-240-003	Residence	2.18	-	-
William and Natalie Griffin	APN: 016-250-001	Residence	2.18	-	-
Stephen and Kathleen Barr	APN: 016-250-002	Residence	2.18	-	-
		Total	670.26	1,888	

Subdivision 8729 is also identified as the Marseilles subdivision and will be developed by Pinn Brothers, a homebuilder enterprise located in San Jose, California. Upon completion of site development, the project will consist of 453 single-family residential lots ranging from 1,512 to 17,458 square feet. Also proposed for the project are a recreational center site, a 3.9-acre multifamily site approved for the development of 108 units, and three neighborhood parks. These properties will not have a special assessment obligation and are therefore not included in the valuation. Subdivision 8729 is located north of Dainty Avenue, west of Walnut Boulevard, and south of Marsh Creek Channel.

Subdivision 8854 will be developed by D.R. Horton (Western Pacific Housing). This project is located at the northeast corner of Balfour Road and Fairview Avenue and has been approved for the development of 112 residential lots, inclusive of four half-plex lots. Three of the four half-plex lots have been designated for affordable housing, and one lot will be developed with a four-plex affordable housing unit. Also proposed are a 2.00-acre neighborhood park and 10.50-acre

commercial site. These sites, as well as the affordable housing lots, will not be encumbered by an assessment lien.

Sterling Preserve III (Subdivision 8875) is located along the east line of O'Hara Avenue, south of Lone Tree Way. This development is proposed for 84 single-family residential lots ranging from 9,093 to 14,959 square feet, with an average lot size of approximately 10,200 square feet.

Subdivision 8763 is situated within the confines of a single assessor's parcel identified as 019-100-017, which contains 5.09 acres of land area. The parcel is currently improved with a single-family residence; however, the property has been mapped so that the existing home will reside on a 0.96-acre parcel, while the remainder of the property will be subdivided to create 11 lots ranging from 9,020 to 20,082 square feet. The appraised property consists of these 11 lots.

Subdivision 8796 encompasses 474.41 acres and is located in the southern extremity of Brentwood, south and west of Concord Avenue. This tract is also 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.

The balance of the appraised properties consists of an 11.35-acre mobile home park property and 14 existing single-family residences. The valuation of the improvements (mobile homes and single-family homes) on these parcels is beyond the scope of our analysis; therefore, in estimating the hypothetical market values of these properties, we will only consider the value of the underlying land.

We have been requested to provide estimates of hypothetical market value of the subject properties by tract and/or configuration. For example, Subdivision 8729 has three predominant lot size configurations; therefore, the hypothetical market value estimates for this tract will be segregated by configuration. 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 that the improvements to be financed by the district bonds were not in place as of our 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. 2005-1 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 June 3, 2005, are...

Owner/Developer	Tract/APN	Hypothetical Market Value
Pinn Brothers	SUBD 8729 (Small Lots)	$14,060,000
	SUBD 8729 (Medium Lots)	$30,490,000
	SUBD 8729 (Large Lots)	$13,510,000
Western Pacific Housing	SUBD 8854	$19,500,000
Meritage Homes	SUBD 8875	$10,800,000
The Mark Pringle Co.	SUBD 8763	$1,880,000
Trilogy Vineyards, LLC	SUBD 8796 (Executive Lots)	$23,460,000
	SUBD 8796 (Winery Lots)	$690,000
	SUBD 8796 (Active Adult Lots)	$126,640,000
	SUBD 8796 (Active Adult Duet Lots)	$7,910,000
Walnut Acres	APN: 012-170-005	$5,620,000
William Goldsby and Mary Wheeland-Goldsby	APN: 016-080-017	$200,000
Timothy and Tina Dabill	APN: 016-080-022	$300,000
Timothy and Rosemary Biglow	APN: 016-080-026	$300,000
Barbara Biglow	APN: 016-080-027	$250,000
Ronald and Wanda Maselli	APN: 016-080-029	$300,000
Robert and Linda Mederos	APN: 016-100-010	$750,000
Stanley and Marie Kalinowski	APN: 016-100-017	$250,000
Elwood Jensen	APN: 016-100-019	$200,000
Gerald and Lucinda Galey	APN: 016-100-021	$200,000
James and Karen Troy	APN: 016-240-001	$300,000
Raymond and Hazel Gaudinier	APN: 016-240-002	$300,000
John and Cheryl Tague	APN: 016-240-003	$300,000
William and Natalie Griffin	APN: 016-250-001	$300,000
Stephen and Kathleen Barr	APN: 016-250-002	$300,000
Aggregate of Hypothetical Market Values		**$258,810,000**

This letter must remain attached to the report, which contains 118 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 Certification No.: AG001723
Expires: August 12, 2006

Kevin K. Ziegenmeyer, Appraiser
State Certification No. AG013567
Expiration Date: June 4, 2007

Nelson M. Wong, Appraiser
State Certification No. AG034862
Expiration Date: August 12, 2006

TABLE OF CONTENTS

Transmittal Letter

Table of Contents

I. Summary of Important Facts and Conclusions 1

II. Introduction

Property Description 3
Type and Definition of Value 4
Client, Intended User and Intended Use of the Appraisal 5
Property Rights Appraised 5
Type of Appraisal and Report Format 6
Dates of Inspection, Value and Report 6
Scope of the Appraisal 6
Extraordinary Assumptions and Hypothetical Conditions 8
General Assumptions and Limiting Conditions 9
Certification(s) of Value 11

III. Market Area

Contra Costa County Regional Overview 14
City of Brentwood Overview (Neighborhood Characteristics) 22
East Contra Costa County Housing Market Overview 27

IV. Subject Property

Property Identification and Legal Data 31
Site Description 36
Facilities to be Financed By the District 46
Subject Photographs 47
Highest and Best Use Analysis 50

V. Valuation Analysis

Approaches to Value 54
Appraisal Methodology 57
Hypothetical Market Valuation 58
Final Opinion of Hypothetical Market Value 115
Exposure Time 116
Sales History 117

Addenda

Engagement Documentation
Glossary of Terms
Preliminary Title Reports
Engineer's Report
Qualifications of Appraiser(s)

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Properties: The appraised properties comprise the land areas situated within the proposed boundaries of Assessment District No. 2005-1, which also represent a portion of Capital Improvement Financing Program (CIFP) 2005-1.

Location: The subject properties are located in non-contiguous areas of the city of Brentwood, Contra Costa County, California. The specific locations of each of the tracts/properties are detailed in the *Site Description* section of this report.

Land Use: The properties within the District are comprised of the following components: 1,888 residential lots, a mobile home park comprising 11.35 acres of land area, and the underlying land of 14 single-family residences situated on parcels ranging from 1.00 to 3.65 acres.

Assessor's Parcel Number(s): A complete list of assessor's parcel numbers located within Assessment District No. 2005-1 is presented in the *Property Identification and Legal Data* section of this report.

Owner(s) of Record: Title to the subject properties is vested with numerous ownership entities, which are detailed in the *Property Identification and Legal Data* section.

Gross Land Area:

Single-family residential component	658.91± acres
Mobile home park component	11.35± acres
Total	670.26± acres

Zoning: The various land components representing the subject properties are zoned for single-family and multifamily residential uses.

Flood Zone: According to the City of Brentwood Planning Department, the properties are located outside of the 100-year flood plain, and flood insurance is not required. This information is also in accordance with the Letters of Map Revision (LOMAR) to the Federal Emergency Management Agency's Flood Insurance Rate Map, Community Panel Numbers 060025-0355B, –0360B and –0365B, dated July 16, 1987.

Earthquake Zone: Zone 3 – Moderate seismic activity (not located in a Fault-Rupture Hazard Zone)

Highest and Best Use: Development of single-family residential subdivisions, with complimentary land uses.

Date of Inspection: June 3, 2005

Effective Date of Value: June 3, 2005

Date of Report: June 17, 2005

Property Rights Appraised: Fee simple estate

Conclusion of Hypothetical Market Value:

Tract/APN	Hypothetical Market Value
SUBD 8729 (Small Lots)	$14,060,000
SUBD 8729 (Medium Lots)	$30,490,000
SUBD 8729 (Large Lots)	$13,510,000
SUBD 8854	$19,500,000
SUBD 8875	$10,800,000
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APN: 016-080-026	$300,000
APN: 016-080-027	$250,000
APN: 016-080-029	$300,000
APN: 016-100-010	$750,000
APN: 016-100-017	$250,000
APN: 016-100-019	$200,000
APN: 016-100-021	$200,000
APN: 016-240-001	$300,000
APN: 016-240-002	$300,000
APN: 016-240-003	$300,000
APN: 016-250-001	$300,000
APN: 016-250-002	$300,000
Aggregate of Hypothetical Market Values	**$258,810,000**

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.

INTRODUCTION

Property Description

The subject properties within Assessment District (AD) No. 2005-1 consist of the following components: 1,888 single-family residential lots, a mobile home park comprising 11.35 acres of land area, and the underlying land of 14 single-family residences situated on parcels ranging from 1.00 to 3.65 acres. There are also a number of land areas (public/quasi-public, commercial, and multifamily) that are within the boundaries of the District but will not be encumbered by special assessments. Thus, these sites are excluded from our analysis. The following table details the various land use components comprising the subject properties.

Owner/Developer	Tract/APN	Land Use	Land Area (Acres)	No. of Lots	Typical Lot Size (SF)
Pinn Brothers	SUBD 8729 (Small Lots)	Single-Family	77.43	165	1,900
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Barbara Biglow	APN: 016-080-027	Residence	1.34	-	-
Ronald and Wanda Maselli	APN: 016-080-029	Residence	2.06	-	-
Robert and Linda Mederos	APN: 016-100-010	Residence	3.65	-	-
Stanley and Marie Kalinowski	APN: 016-100-017	Residence	1.48	-	-
Elwood Jensen	APN: 016-100-019	Residence	1.08	-	-
Gerald and Lucinda Galey	APN: 016-100-021	Residence	1.01	-	-
James and Karen Troy	APN: 016-240-001	Residence	2.20	-	-
Raymond and Hazel Gaudinier	APN: 016-240-002	Residence	2.18	-	-
John and Cheryl Tague	APN: 016-240-003	Residence	2.18	-	-
William and Natalie Griffin	APN: 016-250-001	Residence	2.18	-	-
Stephen and Kathleen Barr	APN: 016-250-002	Residence	2.18	-	-
		Total	**670.26**	**1,888**	

Subdivision 8729 is also identified as the Marseilles subdivision and will be developed by Pinn Brothers, a homebuilder enterprise located in San Jose, California. Upon completion of site development, the project will consist of 453 single-family residential lots ranging from 1,512 to 17,458 square feet. Also proposed for the project are a recreational center site, a 3.9-acre multifamily site approved for the development of 108 units, and three neighborhood parks. These properties will

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Subdivision 8854 will be developed by D.R. Horton (Western Pacific Housing). This project is located at the northeast corner of Balfour Road and Fairview Avenue and has been approved for the development of 112 residential lots, inclusive of four half-plex lots. Three of the four half-plex lots have been designated for affordable housing, and one lot will be developed with a four-plex affordable housing unit. Also proposed are a 2.00-acre neighborhood park and 10.50-acre commercial site. These sites, as well as the affordable housing lots, will not be encumbered by an assessment lien.

Sterling Preserve III (Subdivision 8875) is located along the east line of O'Hara Avenue, south of Lone Tree Way. This development is proposed for 84 single-family residential lots ranging from 9,093 to 14,959 square feet, with an average lot size of approximately 10,200 square feet.

Subdivision 8763 is situated within the confines of a single assessor's parcel identified as 019-100-017, which contains 5.09 acres of land area. The parcel is currently improved with a single-family residence; however, the property has been mapped so that the existing home will reside on a 0.96-acre parcel, while the remainder of the property will be subdivided to create 11 lots ranging from 9,020 to 20,082 square feet. The appraised property consists of these 11 lots.

Subdivision 8796 encompasses 474.41 acres and is located in the southern extremity of Brentwood, south and west of Concord Avenue. This tract is also 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.

The balance of the appraised properties consists of an 11.35-acre mobile home park property and 14 existing single-family residences. The valuation of the improvements (mobile homes and single-family homes) on these parcels is beyond the scope of our analysis; therefore, in estimating the hypothetical market values of these properties, we will only consider the value of the underlying land.

Type and Definition of Value

The purpose of this appraisal is to estimate the hypothetical market values of the subject properties by tract and/or configuration, assuming the completion of the primary infrastructure and facilities to be financed by the Assessment District No. 2005-1 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 that 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, defined as that which is contrary to what exists but is supposed for the purposes of analysis. Additionally, the estimates of hypothetical market value are representative of the individual tracts/configurations by ownership. The sum of the component 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]

[1] Federal Register, vol. 55, no. 163, August 22, 1990, 34228 and 34229.
[2] The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002), 113.

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 that 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 June 3, 2005, which represents the effective date of hypothetical market value. This appraisal report was completed and assembled on June 17, 2005.

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 Final Engineer's Report (July 12, 2005), budgets, site 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. Property tax information for the current tax year was obtained from the Contra Costa County Treasurer-Tax Collector's Office.

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 and as improved (residences), 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 tract and/or configuration. For example, Subdivision 8729 has three predominant lot size configurations; therefore, the hypothetical market value estimates for this tract will be segregated by configuration. For the single-family residential component, the sales comparison approach and extraction technique were employed to estimate value for the typical, or predominate, production residential lot configuration (5,400 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 that are either smaller or larger than the subjects' 5,400 square foot lots. With respect to the 11.35-acre mobile home park property and 14 existing single-family residences, the valuation of the improvements (mobile homes and single-family homes) on these parcels is beyond the scope of our analysis; therefore, in estimating the hypothetical market values of these properties, we only considered the value of the underlying land. The sales comparison approach was utilized once again to analyze comparable sales in order to develop opinions of hypothetical market value for these properties. Additionally, the income capitalization approach was applied in the valuation of the mobile home park property. Finally, the active adult category of Subdivision 8796 consists of 1,016 residential lots, excluding the duet lots. Our survey of comparable transactions revealed no recent bulk sales of subdivisions with lot counts exceeding 369 lots. Thus, the application of a discounted cash flow analysis (subdivision development method) is deemed appropriate to estimate the hypothetical market value of this category.

The individuals involved in the preparation of this appraisal include Mr. P. Richard Seevers, MAI, Mr. Kevin Ziegenmeyer and Mr. Nelson Wong, Appraisers. Mr. Ziegenmeyer and Mr. Wong 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 the engineers. 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 and/or 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. *Several parcels have land areas proposed for public/quasi-public, multifamily, and commercial 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. 2005-1 bond issuance. The funds will be used for improvements to Fairview Avenue, John Muir Parkway, Concord Avenue, Sand Creek Road, O'Hara Avenue, Central Boulevard, and Walnut Boulevard. 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, as well as major water and wastewater facilities.*

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.

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.*

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.*

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.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- I have not made an inspection of the properties that are the subject of this report;
- Kevin Ziegenmeyer and Nelson Wong, Appraisers, 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.
- 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, 2006)

CERTIFICATION OF VALUE

I certify, 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;
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice;
- I have made an inspection of the properties that are the subject of this report;
- Nelson Wong, Appraiser, also 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(s) 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;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- I certify my State of California general real estate appraiser certificate has never been revoked, suspended, cancelled, or restricted; and
- 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.

KEVIN K. ZIEGENMEYER, APPRAISER
State Certification No.: AG013567 (Expires: June 4, 2007)

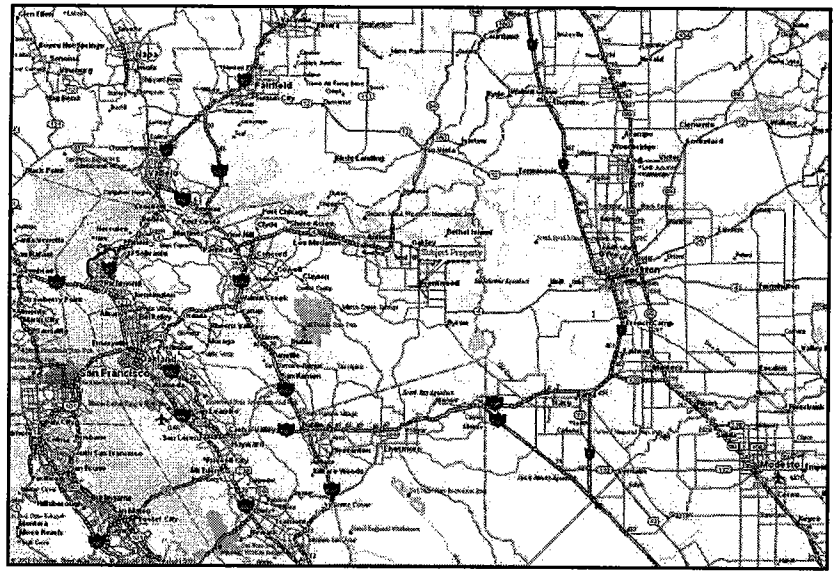
CERTIFICATION OF VALUE

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.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- 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.
- 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.

NELSON M. WONG, APPRAISER
State Certification No.: AG034862 (Expires: August 12, 2006)

COUNTRA 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.

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	1999	2000	2001	2002	2003	2004
Contra Costa County	3.1%	3.6%	4.0%	5.7%	6.1%	5.5%

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 is expected to further decline in 2005. The unemployment rate in Contra Costa County was 4.6% in April 2005, down substantially from the year-ago estimate of 6.0%. This compares with an unadjusted unemployment rate of 5.2% for California and 4.9% for the nation. The county has remained largely insulated from the recent technology sector fallout that has significantly hampered growth in other Bay Area counties. Largely to thank for this stability is the county's diversified economic base.

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

LABOR FORCE

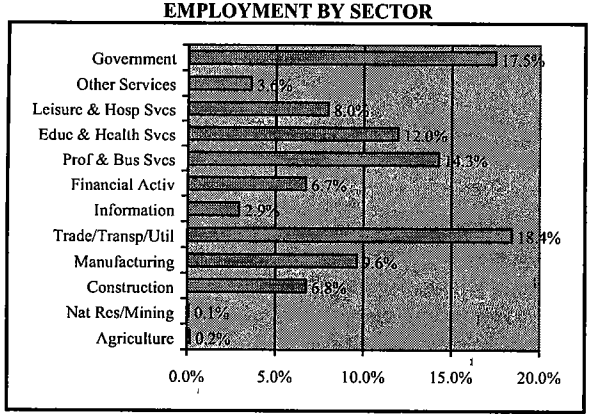
Area	1999	2000	2001	2002	2003	2004
Contra Costa County	486,600	501,600	508,600	513,000	512,300	508,500

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-Fremont-Hayward Metropolitan Division, which includes Alameda and Contra Costa Counties.

EMPLOYMENT BY SECTOR



Source: California Employment Development Department, March 2005

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 private employers in the region, as well as the main location and type of industry.

LARGEST PRIVATE EMPLOYERS

Employer	Location	Industry
Berlex Biosciences	Richmond	Biotechnology
Bio-Rad Laboratories Inc.	Hercules	Laboratory instruments
C&H Sugar Co. Inc.	Crockett	Credit unions
Chevron Texaco	San Ramon	Service stations
Contra Costa Regional Medical Center	Martinez	Hospitals
Doctor's Medical Center	San Pablo	Hospitals
Irwin Home Equity Corp.	San Ramon	Real estate loans
John Muir Medical Center	Walnut Creek	Hospitals
Kaiser Permanente Medical Center	Martinez	Hospitals
Martinez Refining Co.	Martinez	Petroleum products
Mt. Diablo Medical Center	Concord	Rehabilitation services
Nordstrom	Walnut Creek	Department stores
Oakley Auto Service	Oakley	Automobile service
PMI Mortgage Insurance Co.	Walnut Creek	Real estate loans
San Ramon Regional Medical Center	San Ramon	Hospitals
St. Marys College	Moraga	Universities
Sutter Delta Medical Center	Antioch	Hospitals
Tesoro Refining & Marketing Co.	Martinez	Convenience stores
USS-Posco Industries	Pittsburg	Steel mills

Source: California Employment Development Department, 2005

Other primary employers in the region include Longs Drugs, SBC Communications, 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 1994 to 2003, the latest available data as of May 2005.

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
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.

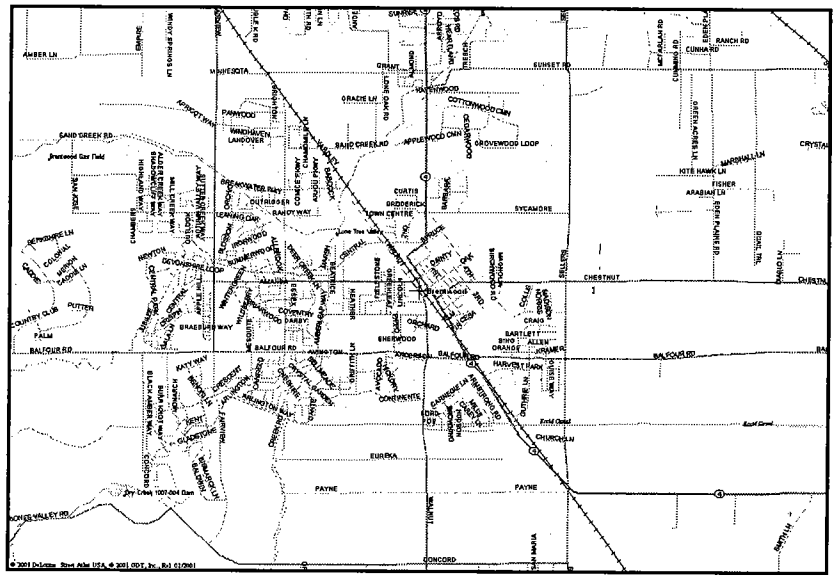
Contra Costa County provides higher education to its residents via three junior colleges, Contra Costa College, Diablo Valley College and Los Medanos College. The county is also host to a handful of private, four-year institutions, foremost of which is Saint Marys College in Moraga, enrolling over 4,000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

Conclusion

Contra Costa County has experienced steady growth, both in population and economy, over the past several years. This growth has been punctuated with an increased migration of businesses and residents from surrounding Bay Area counties. As a result, the county's economic base has grown substantially and is well positioned to become one of the preeminent regional economies in California. The housing market continues to grow, adding new residential communities and

experiencing strong increases in home prices, while still remaining affordable compared with much of the rest of the Bay Area. Given the positive economic indicators, combined with promising housing and social demographics and favorable geographical factors, Contra Costa County looks to continue through the next decade as a strong contributor to the regional economy.

CITY OF BRENTWOOD OVERVIEW
(Neighborhood Characteristics)



Introduction

This section of the report provides an analysis of the observable data that indicate patterns of growth, structure and/or change that may enhance or detract from property values. For the purpose of this analysis, a neighborhood is defined as "a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises." [3]

Neighborhood Boundaries

The boundaries of a neighborhood identify the physical area that influences the value of the subject properties. These boundaries may coincide with observable changes in prevailing land use or occupant characteristics. Physical features such as the type of development, street patterns, terrain, vegetation and parcel size tend to identify neighborhoods. Roadways, waterways and changing elevations can also create neighborhood boundaries.

[3] The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002), 160.

The subject properties are located in non-contiguous areas throughout the city of Brentwood. The neighborhood boundaries generally correspond to the city limits.

Demographics

The city of Brentwood is located in the easternmost portion of Contra Costa County in the East Bay Area. Directly adjacent to Brentwood are the cities of Antioch and Oakley, while the city of Pittsburg lies to the west.

The city functions primarily as a residential center, allowing convenient access to the business-related areas of the East Bay, the Central Valley and the Sacramento region. Brentwood's agricultural roots, which are shared by most of Contra Costa County, are still prevalent despite the ongoing transition towards residential build-out. Early in its history, the city was nationally recognized as the primary shipping point for wheat and barley, and still is home to numerous crops, including grain, alfalfa, almonds, tomatoes and several types of fruit.

The City of Brentwood is actively involved in developing its local economy. Approximately 6,500 people are employed within the city, with that total projected to reach over 30,000 upon full build-out of the general plan in 2020. A growth curve of that magnitude would be commensurate with what the city experienced over the past 20 years, indicating that many feel Brentwood will continue to develop into a leading economic center.

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.

When measured against Contra Costa County as a whole, Brentwood's mean household income is slightly below average, coming in at $72,300 versus a countywide figure of $79,000 in 2000. When measured as a percentage change from 2000 to 2005, Brentwood's income growth also comes in below countywide figures, anticipating a growth rate of 4.9%. Much of the disparity is due to the lingering agricultural influence over the city, which has slowly begun to give way to suburban development. The gap between county income averages and Brentwood figures should continue to narrow as residential build-out flourishes.

MEAN HOUSEHOLD INCOME

	1995	2000	2005	% Change 2000-2005
Brentwood	$65,700	$72,300	$75,900	4.9%
Contra Costa County	$71,500	$79,000	$85,300	7.9%

Source: ABAG Projections 2000

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 April 2005 was $594,500, which marks a 35.7% increase from a year ago.

Transportation

Given Brentwood's close location to a number of East Bay business centers, the city is subject to a large amount of commuter traffic during the week. As a result, the main mode of transportation in and out of the city is by car. The business route extension of State Highway 4, running through the heart of Brentwood, provides access to and from Antioch, Oakley, Concord and the entire East Bay. State Highway 4 turns northward from Oakley, becoming State Highway 160 and providing access to the Delta region and the Sacramento Valley. As State 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 partially completed 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.

Interstate 5, California's major north-south transportation artery, lies approximately 25 miles to the east of Brentwood and provides access to the Central Valley and other portions of Northern and Southern California.

Rail access is provided via AMTRAK, a passenger service, as well as the Atchison, Topeka, Santa Fe and Southern Pacific Railroad companies. From the north and just beyond Oakley, access is gained via the San Joaquin River, a deep-water channel servicing numerous cities along the waterway. Ocean vessels and barges utilize this waterway, allowing for bulk transport from the Pacific Ocean all the way through to the city of Stockton. Air transportation is available via the Concord Airport, approximately 25 miles west of Brentwood, as well as the San Francisco and Oakland International Airports. The final major transportation service in proximity to Brentwood is Bay Area Rapid Transit (BART), which runs to and from the city of Pittsburg.

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. The following table details several active projects within the city as of the First Quarter 2005.

Project	Builder	Planned Units	No. of Units Sold	Lot Size (SF)	Total Weekly Sales Rate	Total Monthly Sales Rate	Average Floor Plan (SF)	Average Base Price
Bridgeview at Deer Ridge	KB Homes	140	25	7,500	0.78	3.35	3,080	$678,167
Classics at Rose Garden	Pulte Homes	121	26	8,500	2.56	11.01	3,293	$775,720
Dream Catcher Ridge	Western Pacific Housing	169	39	7,500	2.17	9.33	3,208	$768,054
Estates at Rose Garden	Pulte Homes	93	23	6,000	1.67	7.18	2,564	$622,963
Gables at Legends	William Lyon Homes	99	99	5,000	1.02	4.39	2,274	$414,740
Harmony	California Homes	102	91	5,100	0.83	3.57	2,330	$604,157
Serata	Lafferty Homes	84	60	6,000	0.68	2.92	2,990	$788,490
St. Andrews at Deer Ridge	Western Pacific Housing	121	121	6,000	0.83	3.57	2,910	$617,390
Sterling Gate	Meritage Homes	96	63	7,500	1.97	8.47	2,871	$682,390
Stonebrooke Estates	Western Pacific Housing	128	125	6,500	1.32	5.68	3,045	$654,657
Stonehaven	Braddock and Logan	45	45	6,000	0.90	3.87	2,335	$564,567
The Parc at Cedarwood	Signature Properties	75	12	7,095	1.50	6.45	2,273	$564,150
Visions at Brentwood	Warmington Homes	133	45	8,000	1.41	6.06	3,447	$723,000

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 neighborhood shopping center with tenants including 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 Warehouse, 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 Crafts, 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. To the east along Lone Tree Way is the Lone Tree Center, anchored by WinCo Foods and Hollywood Video. The John Muir Medical Hospital site is located at the southwest corner Highway 4 Bypass and Balfour Road. The fist phase of construction on the 32-acre hospital and medical office campus was completed earlier this year, with 108,500 square feet in hospital and medical offices opening.

One of Brentwood's newer 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, which opened in March 2005, includes soccer, baseball and softball fields as well as concession areas. The City of Brentwood intends to attract quality businesses to the city and thus create jobs for residents. According to a staff report from the City of Brentwood Planning Commission, the Sunset Industrial Complex has generated a great deal of interest from businesses located in Brentwood, and there is a waiting list of businesses who would like to locate in the complex.

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.

EAST CONTRA COSTA COUNTY HOUSING MARKET OVERVIEW

The regional area housing information is an important part of the appraisal report because it provides a macro observation of the community and forms the basis upon which various conclusions are made. The characteristics of the region's residential real estate market influence the economic viability of the area, including the subject properties. In order to familiarize the reader with the specifics of the East Contra Costa County new home market, some general information regarding supply and demand, current trends in the overall market, plus some detailed data regarding the subject's specific area, will be discussed.

Over the recent past, the residential home market in California experienced a dramatic upward movement in the majority of cities and towns with any type of nearby employment base. Some cities simply serve as bedroom communities that have benefited from the escalating prices in the metropolitan areas. The upward pressure on housing costs drove first time buyers out to travel long commuting distances. This is one factor leading to the popularity of Contra Costa County as a whole. Cities such as Oakley, Brentwood and Antioch have been growing due to the lack of affordable homes in the remainder of the Bay Area. Some of these cities have also strengthened and diversified their economic base, as companies are moving some operations inland to accommodate and attract lower wage earners.

Contra Costa County can be divided into three distinct regions, each with specific and individual characteristics. West Contra Costa County, containing the communities bordering San Pablo Bay and extending inland to Concord, possesses a number of distinctly industrial uses. Southern Contra Costa County, beginning with Walnut Creek to the north and extending south to the county border, provides the county with the majority of its commercial production. East Contra Costa County, extending east of Concord to the San Joaquin County border, has developed into a primarily residential and service-oriented region, displaying the county's densest population of new homes.

Although this entire region has shown significant growth over the past several years, it is East Contra Costa County that has driven residential development. The natural expansion of the Bay Area coming in tandem with the economic boom of the late 1990's has led to the creation of housing in outlying areas that were previously dedicated to agricultural uses. The most readily accessible of these areas has been East Contra Costa County, which continues to foster residential development and lead the Bay Area in the construction of new housing.

Housing Stock

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 24 subdivisions actively marketing new, detached homes in Brentwood during the First Quarter of 2005. New home prices in this market generally range from roughly $360,000 to $920,000, although a number of custom homes are being sold for prices well above this range. According to The Gregory Group Report, as of the First Quarter 2005, the average base price for the active subdivisions marketing homes in the city of Brentwood was $647,919. The following table summarizes the First Quarter sales statistics within the area.

Base Price Range	$363,000 - $920,900
Average Base Price	$647,919
Size Range (SF)	1,241 – 4,639 SF
Average Size (SF)	2,811
Price/SF Range	$168.04 - $334.31
Average Price/SF	$230.49

Housing Permits

As previously noted, East Contra Costa County is home to some of the most dynamic residential growth in the Bay Area. This fact is evidenced particularly in the number of housing permits issued in the four incorporated cities that comprise the region: Antioch, Brentwood, Oakley and Pittsburg. Since 1999, those four cities have been responsible for approximately 50% of all building permits issued throughout the county. Total permits issued during 2002 in the incorporated areas of East Contra Costa County have totaled 2,884, an increase of 95% between 1996 and 2002. The above-listed totals are fairly representative of the region, although slightly understated due to the inability to derive accurate statistics for the unincorporated portions of the area as well as the exclusion of Oakley's building permit totals prior to their incorporation in July of 1999.

The following table summarizes new permit activity for Contra Costa County and the four incorporated cities that comprise the eastern portion of the county:

Area	1998	1999	2000	2001	2002
Antioch	929	686	1,157	1,370	683
Brentwood	611	1,128	952	1,254	1,682
Oakley	N/Av	N/Av	34	287	223
Pittsburgh	322	304	467	417	296
Total	1,862	2,118	2,610	3,328	2,884
Entire County	N/Av	4,413	5,479	4,920	5,108

The East Contra Costa County market retains its identity as one of the Bay Area's more affordable markets. The average sales price during the First Quarter 2005 for new homes in Brentwood was $647,919, up from $461,732 in the First Quarter 2004. The average sales price in the city of Antioch during the First Quarter 2005 was $566,820, up from $468,069 in the First Quarter 2004. The city of Oakley experienced an increase from $435,788 in the First Quarter 2004 to $522,375 in the First Quarter 2005. These figures are overshadowed significantly by many neighboring communities, including Pleasanton ($1,487,352), Concord ($1,271,623), San Ramon ($1,025,504) and Livermore ($892,778). The entire East Bay region, which includes both Alameda and Contra Costa Counties, with 123 active subdivisions, averaged $805,251. Even with the steady increase in building permits issued and its competitive pricing, the housing market in East Contra Costa County looks to be strong through the next several quarters.

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 are selling homes at an aggressive rate, with some exhibiting as many as 15 sales per month.

The following table summarizes several active subdivisions within the city of Brentwood considered comparable and competitive with the subject properties. The data is taken from The Gregory Group housing report for the First Quarter 2005.

Project	Builder	Planned Units	No. of Units Sold	Lot Size (SF)	Total Weekly Sales Rate	Total Monthly Sales Rate	Average Floor Plan (SF)	Average Base Price
Bridgeview at Deer Ridge	KB Homes	140	25	7,500	0.78	3.35	3,080	$678,167
Classics at Rose Garden	Pulte Homes	121	26	8,500	2.56	11.01	3,293	$775,720
Dream Catcher Ridge	Western Pacific Housing	169	39	7,500	2.17	9.33	3,208	$768,054
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Gables at Legends	William Lyon Homes	99	99	5,000	1.02	4.39	2,274	$414,740
Harmony	California Homes	102	91	5,100	0.83	3.57	2,330	$604,157
Serata	Lafferty Homes	84	60	6,000	0.68	2.92	2,990	$788,490
St. Andrews at Deer Ridge	Western Pacific Housing	121	121	6,000	0.83	3.57	2,910	$617,390
Sterling Gate	Meritage Homes	96	63	7,500	1.97	8.47	2,871	$682,390
Stonebrooke Estates	Western Pacific Housing	128	125	6,500	1.32	5.68	3,045	$654,657
Stonehaven	Braddock and Logan	45	45	6,000	0.90	3.87	2,335	$564,567
The Parc at Cedarwood	Signature Properties	75	12	7,095	1.50	6.45	2,273	$564,150
Visions at Brentwood	Warmington Homes	133	45	8,000	1.41	6.06	3,447	$723,000

Absorption Conclusion

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 to increasing absorption rates in comparison to those reported for earlier quarters.

The sales activity at the profiled competitive projects in the Brentwood market suggests a monthly absorption rate of between 2.9 and 11.0 units. These projects are located in relative proximity to the subject properties and are considered good indicators of achievable absorption. Based on the specifics of the subject properties, a projected absorption rate of 6.0 sales per month for each individual project is considered reasonable, especially considering the fact that the properties will offer different product lines catering to different buyers.

Overall, the trends and statistics indicate a strengthening residential market for Contra Costa County. The subjects' submarket (East Contra Costa County) has captured a significant portion of the areas 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 current upward 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 the proposed Assessment District No. 2005-1, are located in non-contiguous areas throughout the city of Brentwood, Contra Costa County, California. The specific locations of each of the tracts/properties are detailed in the *Site Description* section.

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	Land Area (Acres)
Pinn Brothers	SUBD 8729	017-131-025	PBP Limited Partners	10.94
		017-140-002	PBP Limited Partners	0.60
		017-140-003	PBP Limited Partners	0.36
		017-140-005	PBP Limited Partners	3.00
		017-140-026	PBP Limited Partners	6.15
		017-140-027	PBP Limited Partners	2.76
		017-160-003	PBP Limited Partners	6.99
		017-170-005	PBP Limited Partners	46.63
Western Pacific Housing	SUBD 8854	012-020-012	Western Pacific Housing	41.64
Meritage Homes	SUBD 8875	018-090-011	Harold and Brenda Dominguez	5.00
		018-090-013	Meritage Homes	4.45
		018-090-019	Meritage Homes	5.04
		018-110-006	Phyllis Drummond	5.69
		018-110-007	Burl and Rhea Blalock	13.52
The Mark Pringle Co.	SUBD 8763	019-100-017	Ashford Park II Investors, LLC	5.09
Trilogy Vineyards, LLC	SUBD 8796	007-380-001	Trilogy Vineyards, LLC	454.56
		007-380-016	Trilogy Vineyards, LLC	19.85
Not applicable	Not applicable	012-170-005	Walnut Acres Mobile Home Park, Inc.	11.35
Not applicable	Not applicable	016-080-017	William Goldsby and Mary Wheeland-	1.00
Not applicable	Not applicable	016-080-022	Timothy and Tina Dabill	2.15
Not applicable	Not applicable	016-080-026	Timothy and Rosemary Biglow	1.95
Not applicable	Not applicable	016-080-027	Barbara Biglow	1.34
Not applicable	Not applicable	016-080-029	Ronald and Wanda Maselli	2.06
Not applicable	Not applicable	016-100-010	Robert and Linda Mederos	3.65
Not applicable	Not applicable	016-100-017	Stanley and Marie Kalinowski	1.48
Not applicable	Not applicable	016-100-019	Elwood Jensen	1.08
Not applicable	Not applicable	016-100-021	Gerald and Lucinda Galey	1.01
Not applicable	Not applicable	016-240-001	James and Karen Troy	2.20
Not applicable	Not applicable	016-240-002	Raymond and Hazel Gaudinier	2.18
Not applicable	Not applicable	016-240-003	John and Cheryl Tague	2.18
Not applicable	Not applicable	016-250-001	William and Natalie Griffin	2.18
Not applicable	Not applicable	016-250-002	Stephen and Kathleen Barr	2.18
			Total	670.26

Owner(s) of Record

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

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 Final Engineer's Report (July 12, 2005), prepared by Carlson, Barbee & Gibson, Inc., to determine the total assessment lien proposed for the subject properties under Assessment District No. 2005-1. The annual payments are estimated based on a 25-year period with a 6.50% interest rate. For example, the small lot category of Subdivision 8729 will have a projected total assessment of $20,000 per unit. Taking the total encumbrance for this development over a 25-year period (6.50% per year) yields an annual payment of $1,640 per unit. For purposes of our analysis, annual special assessment payments are calculated in the same manner for each of the appraised properties, as detailed in the table on the following page.

ASSESSMENT DISTRICT NO. 2005-1

Owner/Developer	Tract/APN	Total Assessment	Estimated Annual Special Assessment Payment
Pinn Brothers	SUBD 8729 (Small Lots)	$20,000 per unit	$1,640 per unit
	SUBD 8729 (Medium Lots)	$22,000 per unit	$1,804 per unit
	SUBD 8729 (Large Lots)	$25,000 per unit	$2,050 per unit
Western Pacific Housing	SUBD 8854	$23,000 per unit	$1,886 per unit
Meritage Homes	SUBD 8875	$23,000 per unit	$1,886 per unit
The Mark Pringle Co.	SUBD 8763	$23,000 per unit	$1,886 per unit
Trilogy Vineyards, LLC	SUBD 8796 (Executive Lots)	$20,000 per unit	$1,640 per unit
	SUBD 8796 (Winery Lots)	$20,000 per unit	$1,640 per unit
	SUBD 8796 (Active Adult Lots)	$23,000 per unit	$1,886 per unit
	SUBD 8796 (Adult Duet Lots)	$5,000 per unit	$410 per unit
Walnut Acres	APN: 012-170-005	$1,921 per acre	$157 per acre
William Goldsby and Mary Wheeland-Goldsby	APN: 016-080-017	$9,340 per unit	$766 per unit
Timothy and Tina Dabill	APN: 016-080-022	$9,340 per unit	$766 per unit
Timothy and Rosemary Biglow	APN: 016-080-026	$9,340 per unit	$766 per unit
Barbara Biglow	APN: 016-080-027	$9,340 per unit	$766 per unit
Ronald and Wanda Maselli	APN: 016-080-029	$9,340 per unit	$766 per unit
Robert and Linda Mederos	APN: 016-100-010	$9,340 per unit	$766 per unit
Stanley and Marie Kalinowski	APN: 016-100-017	$9,340 per unit	$766 per unit
Elwood Jensen	APN: 016-100-019	$9,340 per unit	$766 per unit
Gerald and Lucinda Galey	APN: 016-100-021	$9,340 per unit	$766 per unit
James and Karen Troy	APN: 016-240-001	$9,340 per unit	$766 per unit
Raymond and Hazel Gaudinier	APN: 016-240-002	$9,340 per unit	$766 per unit
John and Cheryl Tague	APN: 016-240-003	$9,340 per unit	$766 per unit
William and Natalie Griffin	APN: 016-250-001	$9,340 per unit	$766 per unit
Stephen and Kathleen Barr	APN: 016-250-002	$9,340 per unit	$766 per unit

The financing provided through the bond issuance will be used for improvements to Fairview Avenue, John Muir Parkway, Concord Avenue, Sand Creek Road, O'Hara Avenue, Central Boulevard, and Walnut Boulevard. 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, as well as major water and wastewater facilities.

Conditions of Title

Several 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. 2005-1 relates to developable properties designated for single-family residential and mobile home park 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. With exception to Walnut Acres (mobile home park) and the 14 single-family residences, all of the properties have PD: Planned Development zoning ordinances. 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.

Tract	Owner/Developer	Zoning
SUBD 8729	Pinn Brothers	PD-44
SUBD 8854	Western Pacific Housing	PD-5
SUBD 8875	Meritage Homes	PD-60
SUBD 8763	The Mark Pringle Co.	PD-35
SUBD 8796	Trilogy Vineyards, LLC	PD-64

The Walnut Acres mobile home park is zoned R-2: Moderate Density Multifamily Residential, which allows a maximum density of nine dwelling units per acre. Permitted uses under the R-2 zone include single-family lots, duplexes, triplexes, townhouses and apartments. Additionally, the subject property has approvals (entitlements) for use as a 94-unit mobile home park. The 14 single-family residences are situated on parcels ranging from 1.00 to 3.65 acres and are zoned RE: Ranchette Estate, a single-family residential ordinance stipulating a minimum lot size of one acre. In accordance with the General Plan, as well as the Planned Development zoning ordinances, the subject properties represent legally conforming uses, as proposed and improved (residences).

With respect to entitlements, each of the proposed subdivisions has an approved tentative map or a recorded final map. The residence situated on assessor's parcel 016-100-010 (3.65 acres) has tentative map approval to subdivide into three separate parcels.

Flood Zone

The subject properties are located outside of the 100-year flood plain, and flood insurance is not required. This information is in accordance with the Letters of Map Revision (LOMAR) to the Federal Emergency Management Agency's Flood Insurance Rate Map, Community Panel Numbers 060025-0355B, –0360B and –0365B, 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. 2005-1 consist of the following components: 1,888 single-family residential lots, a mobile home park comprising 11.35 acres of land area, and the underlying land of 14 single-family residences situated on parcels ranging from 1.00 to 3.65 acres. There are also a number of land areas (public/quasi-public, commercial, and multifamily) that are within the boundaries of the District but will not be encumbered by special assessments. Thus, these sites are excluded from our analysis. The following table details the various land use components comprising the subject properties.

Owner/Developer	Tract/APN	Land Use	Land Area (Acres)	No. of Lots	Typical Lot Size (SF)
Pinn Brothers	SUBD 8729 (Small Lots)	Single-Family	77.43	165	1,900
	SUBD 8729 (Medium Lots)			210	5,000
	SUBD 8729 (Large Lots)			78	8,500
Western Pacific Housing	SUBD 8854	Single-Family	41.64	108	7,540
Meritage Homes	SUBD 8875	Single-Family	33.70	84	10,200
The Mark Pringle Co.	SUBD 8763	Single-Family	5.09	11	10,000
Trilogy Vineyards, LLC	SUBD 8796 (Executive Lots)	Single-Family	474.41	128	15,000
	SUBD 8796 (Winery Lots)	Single-Family		4	13,000
	SUBD 8796 (Active Adult Lots)	Single-Family		1,016	5,400
	SUBD 8796 (Adult Duet Lots)	Single-Family		84	2,500
Walnut Acres	APN: 012-170-005	Mobile Home Park	11.35	-	-
William Goldsby and Mary Wheeland-Goldsby	APN: 016-080-017	Residence	1.00	-	-
Timothy and Tina Dabill	APN: 016-080-022	Residence	2.15	-	-
Timothy and Rosemary Biglow	APN: 016-080-026	Residence	1.95	-	-
Barbara Biglow	APN: 016-080-027	Residence	1.34	-	-
Ronald and Wanda Maselli	APN: 016-080-029	Residence	2.06	-	-
Robert and Linda Mederos	APN: 016-100-010	Residence	3.65	-	-
Stanley and Marie Kalinowski	APN: 016-100-017	Residence	1.48	-	-
Elwood Jensen	APN: 016-100-019	Residence	1.08	-	-
Gerald and Lucinda Galey	APN: 016-100-021	Residence	1.01	-	-
James and Karen Troy	APN: 016-240-001	Residence	2.20	-	-
Raymond and Hazel Gaudinier	APN: 016-240-002	Residence	2.18	-	-
John and Cheryl Tague	APN: 016-240-003	Residence	2.18	-	-
William and Natalie Griffin	APN: 016-250-001	Residence	2.18	-	-
Stephen and Kathleen Barr	APN: 016-250-002	Residence	2.18	-	-
		Total	670.26	1,888	

The appraised properties are located in non-contiguous areas throughout the city of Brentwood, Contra Costa County, California. The specific locations of each of the tracts/properties are detailed in at the end of this section.

Size and Shape: The subject properties within Assessment District No. 2005-1 represent seven non-contiguous clusters of parcels that are, for the most part, irregular in shape. In total, the properties contain 670.26 gross acres of land area.

Gross Land Area:

Single-family residential component	658.91± acres
Mobile home park component	11.35± acres
Total	670.26± acres

Topography: With the exception of Subdivision 8796, the topography of the properties is generally level. Subdivision 8796 is located in the southern portion of Brentwood and has areas of rolling topography, which is not considered to adversely impact the development of this project, since the proposed lots can be graded to create level pads.

Soils: The appraiser has not been provided a soils report 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. With respect to the existing single-family residences, drainage appears adequate.

Frontage/Access: The subject properties offer adequate frontage along either interior streets or major thoroughfares, including Balfour Road, O'Hara Avenue, Concord Avenue, Fairview Avenue and Central Boulevard.

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
Natural Gas:	Pacific Gas and Electric
Electricity:	Pacific Gas and Electric
Telephone:	SBC Communications

Environmental Issues: At the time of inspection, the appraiser did not observe the existence of hazardous material, which may or may not be present on the properties. 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 components of the subject properties. Based upon the development plans, overall functional utility is considered good.

Offsite Improvements:

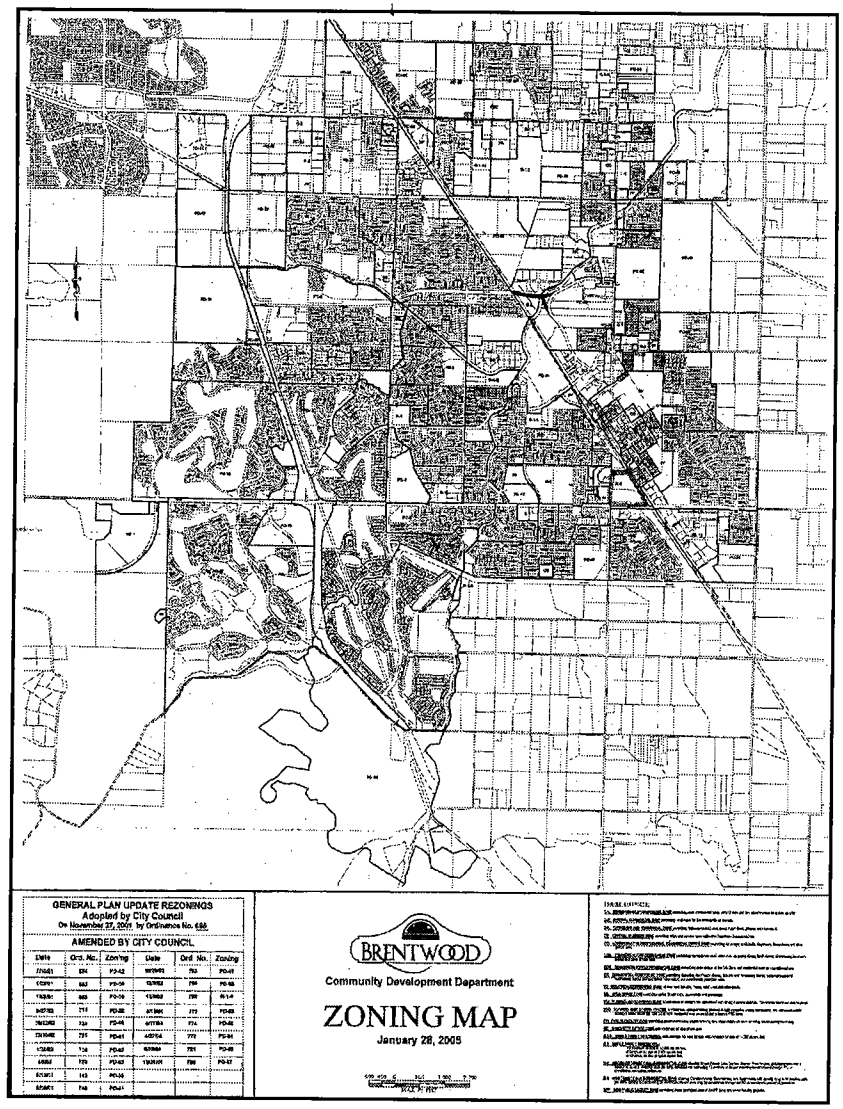
As of the date of value, the subject required significant offsite improvement work. The financing provided through the bond issuance will be used for improvements to Fairview Avenue, John Muir Parkway, Concord Avenue, Sand Creek Road, O'Hara Avenue, Central Boulevard, and Walnut Boulevard. These improvements 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.

The hypothetical market value estimates contained herein assume the completion of the public facilities to be financed by the Assessment District No. 2005-1 bond issuance.

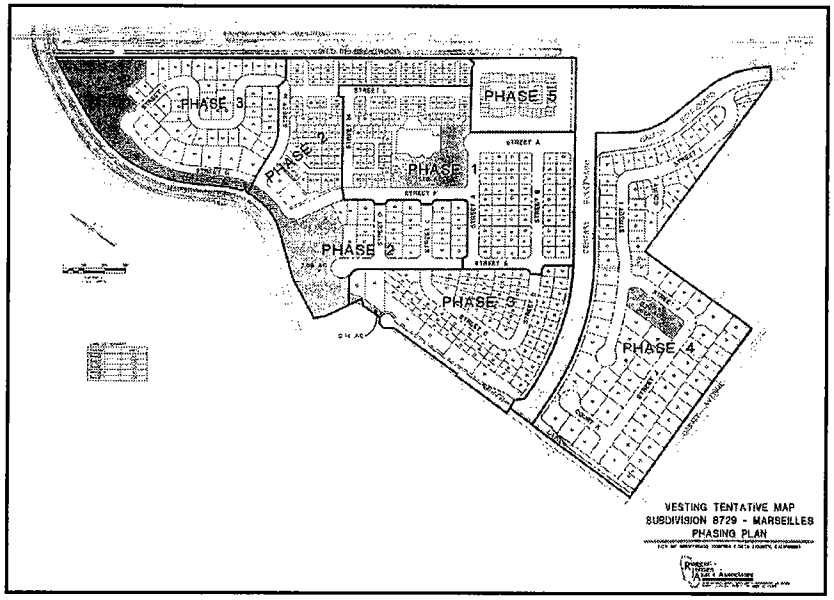
Conclusion:

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 the 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.

CITY OF BRENTWOOD ZONING MAP

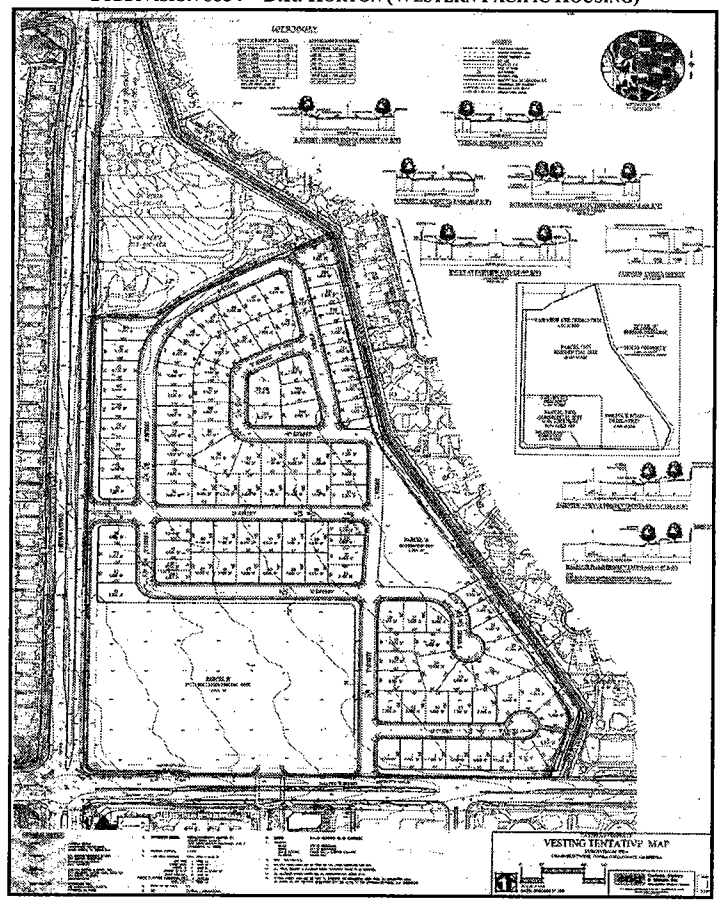


SUBDIVISION 8729 – PINN BROTHERS



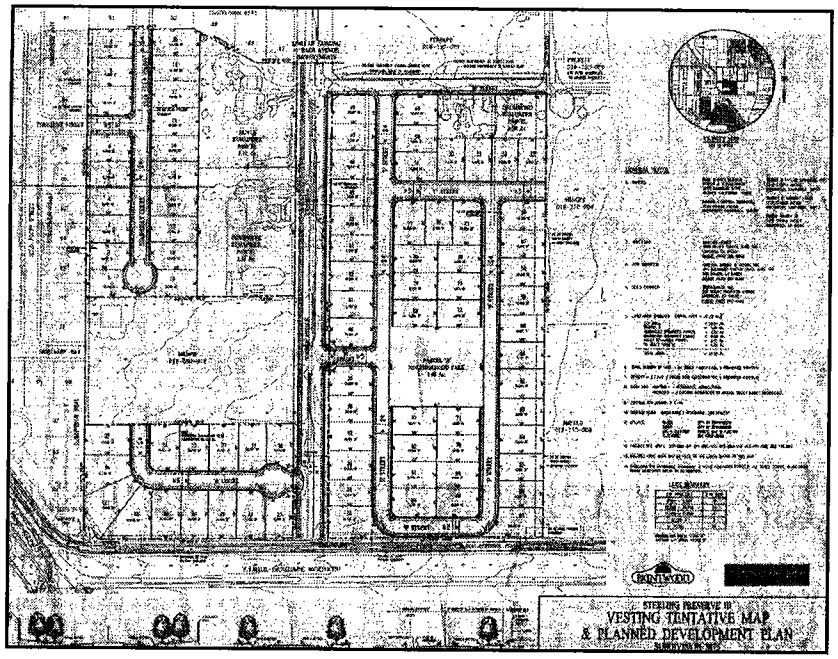
Subdivision 8729 is also identified as the Marseilles subdivision and will be developed by Pinn Brothers, a homebuilder enterprise located in San Jose, California. Upon completion of site development, the project will consist of 453 single-family residential lots ranging from 1,512 to 17,458 square feet. Also proposed for the project are a recreational center site, a 3.9-acre multifamily site approved for the development of 108 units, and three neighborhood parks. These properties will not have a special assessment obligation and are therefore not included in the valuation. Subdivision 8729 is located north of Dainty Avenue, west of Walnut Boulevard, and south of Marsh Creek Channel.

SUBDIVISION 8854 – D.R. HORTON (WESTERN PACIFIC HOUSING)



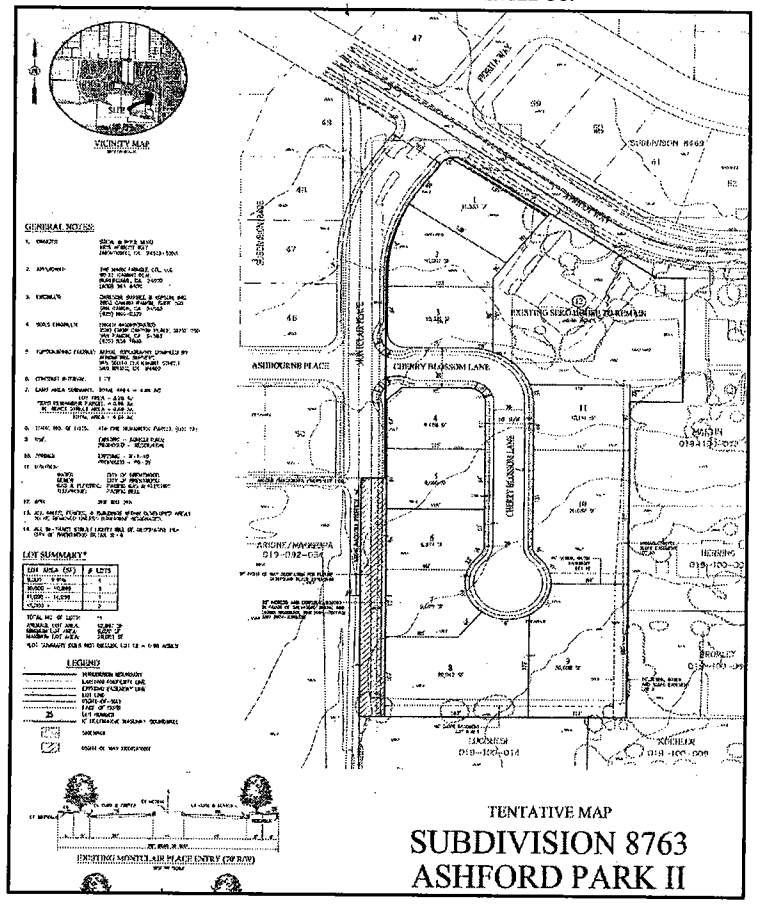
Subdivision 8854 will be developed by D.R. Horton (Western Pacific Housing). This project is located at the northeast corner of Balfour Road and Fairview Avenue and has been approved for the development of 112 residential lots, inclusive of four half-plex lots. Three of the four half-plex lots have been designated for affordable housing, and one lot will be developed with a four-plex affordable housing unit. Also proposed are a 2.00-acre neighborhood park and 10.50-acre commercial site. These sites, as well as the affordable housing lots, will not be encumbered by an assessment lien.

SUBDIVISION 8875 – MERITAGE HOMES



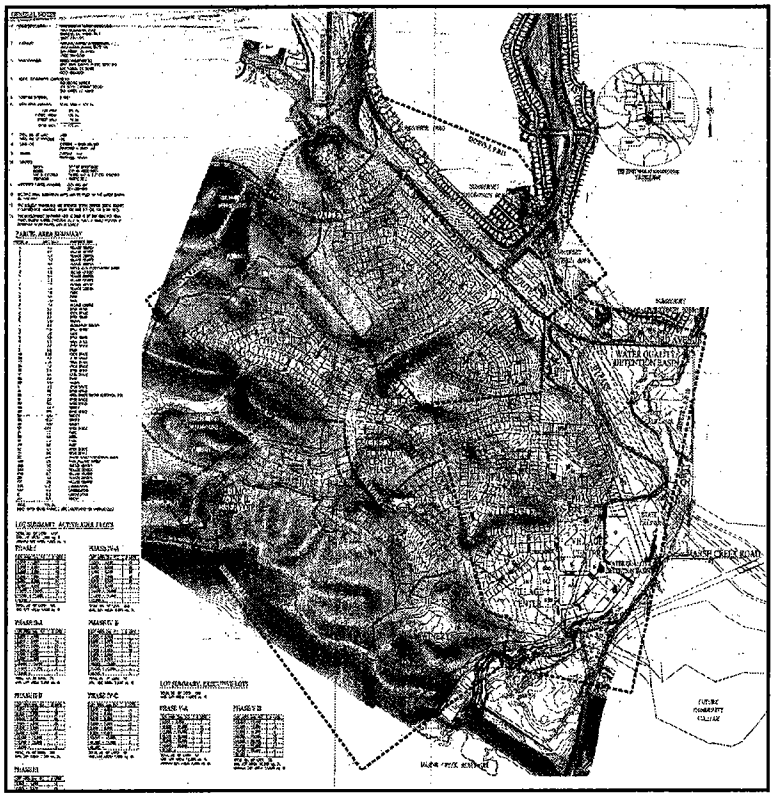
Sterling Preserve III (Subdivision 8875) is located along the east line of O'Hara Avenue, south of Lone Tree Way. This development is proposed for 84 single-family residential lots ranging from 9,093 to 14,959 square feet, with an average lot size of approximately 10,200 square feet. A 1.40-acre neighborhood park is centrally located within the development but will not have a bond encumbrance.

SUBDIVISION 8763 – THE MARK PRINGLE CO.



Subdivision 8763 is situated within the confines of a single assessor's parcel identified as 019-100-017, which contains 5.09 acres of land area. The parcel is currently improved with a single-family residence; however, the property has been mapped so that the existing home will reside on a 0.96-acre parcel, while the remainder of the property will be subdivided to create 11 lots ranging from 9,020 to 20,082 square feet. The appraised property consists of these 11 lots.

SUBDIVISION 8796 – TRILOGY VINEYARDS, LLC



Subdivision 8796 encompasses 474.41 acres and is located in the southern extremity of Brentwood, south and west of Concord Avenue. This tract is also 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.

WALNUT ACRES (MOBILE HOME PARK) AND INDIVIDUAL LAND OWNERS

The balance of the appraised properties consists of an 11.35-acre mobile home park property and 14 existing single-family residences. The mobile home park property (APN 012-170-005) is located north of Balfour Road and east of Walnut Boulevard, within the southeastern portion of Brentwood. The property is zoned R-2: Moderate Density Multifamily Residential, which allows a maximum density of nine dwelling units per acre. Permitted uses under the R-2 zone include single-family lots, duplexes, triplexes, townhouses, apartments and mobile homes. Additionally, the property has approvals for use as a 94-unit mobile home park. Common area amenities include a clubhouse, swimming pool, billiards room and laundry facility. The 14 single-family residences are located generally south of Gracie Lane, north of Sand Creek Road, and west of Lone Oak Road. The residences are situated on parcels ranging from 1.00 to 3.65 acres and are zoned RE: Ranchette Estate, a single-family residential ordinance stipulating a minimum lot size of one acre. The 3.65-acre parcel (APN 016-100-010) has tentative map approval to split into three separate lots.

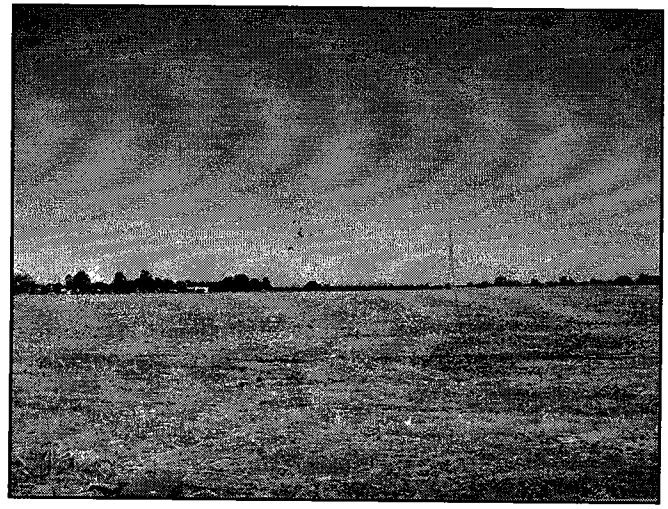
There are several mobile homes situated on the Walnut Acres property, and the 14 individual ownership parcels are improved with single-family residences constructed from the late-1960s to early 1990s. The valuation of the improvements on these parcels is beyond the scope of our analysis; therefore, in estimating the hypothetical market values of these properties, we will only consider the value of the underlying land.

FACILITIES TO BE FINANCED BY THE DISTRICT

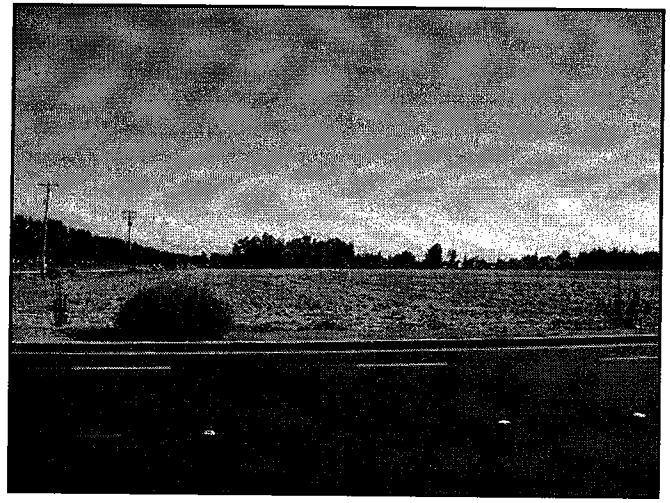
This report will address the hypothetical market values of the subject properties, assuming the completion of the improvements authorized to be financed by the Assessment District No. 2005-1 bond issuance. The proposed improvements are detailed in the Final Engineer's Report (July 12, 2005) prepared by Carlson, Barbee and Gibson, Inc., 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 Fairview Avenue, John Muir Parkway, Concord Avenue, Sand Creek Road, O'Hara Avenue, Central Boulevard, and Walnut Boulevard. 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, as well as major water and wastewater facilities.

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

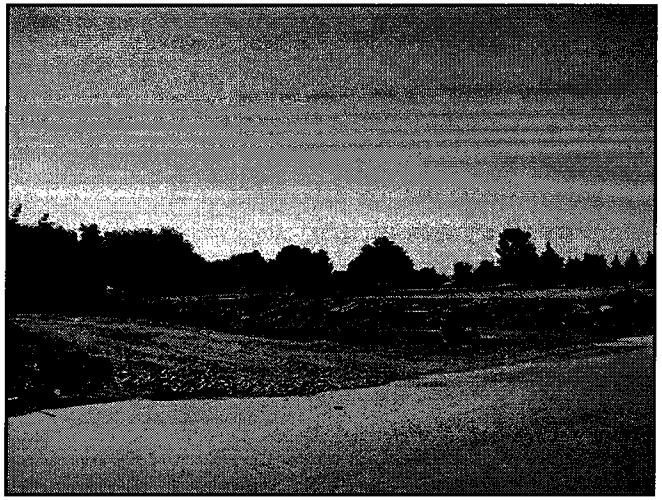


Subdivision 8729 (Pinn Brothers)

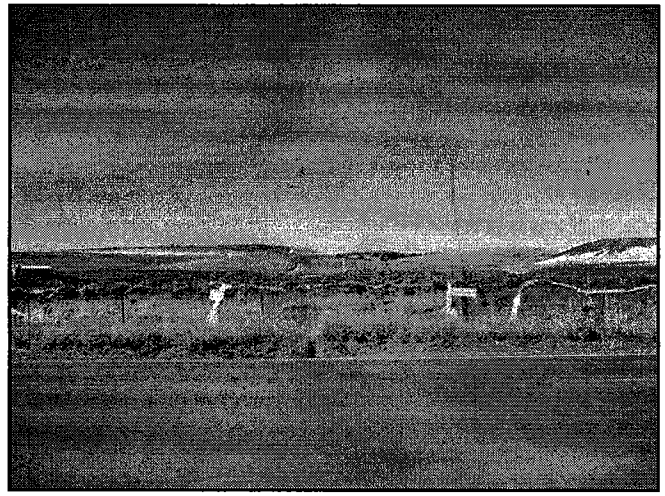


Subdivision 8854 (Western Pacific Housing)

Subdivision 8875 (Meritage Homes)



Subdivision 8763 (The Mark Pringle Co.)



Subdivision 8796 (Trilogy Vineyards, LLC)

Walnut Acres Mobile Home Park

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 only applicable to the properties that are currently improved (14 residences). Definitions of these terms are provided in the *Glossary of Terms* in the Addenda to this report.

Highest and Best Use – As Vacant (Single-Family Residential Component)

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) are zoned 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 properties.

Tract	Owner/Developer	Zoning
SUBD 8729	Pinn Brothers	PD-44
SUBD 8854	Western Pacific Housing	PD-5
SUBD 8875	Meritage Homes	PD-60
SUBD 8763	The Mark Pringle Co.	PD-35
SUBD 8796	Trilogy Vineyards, LLC	PD-64

The 14 individual ownership properties are zoned RE: Ranchette Estate, a single-family residential ordinance stipulating a minimum lot size of one acre. With respect to entitlements, each of the proposed subdivisions has an approved tentative map or a recorded final map. Assessor's parcel 016-100-010 (3.65 acres) has tentative map approval to subdivide into three separate parcels. The area

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

has undergone extensive planning and review. Zoning modifications are considered highly unlikely. In accordance with the PD and RE zoning ordinances, as well as the approved entitlements for the subject properties, single-family residential development is the only legally permissible use of this component.

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 properties are positioned outside of the 100-year flood plain, and they are not located within a Fault-Rupture Hazard Zone. Additionally, 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, which has experienced stable population and employment growth over the past several years. After analyzing current absorption rates of residential projects in Brentwood and throughout greater Contra Costa County, it appears single-family residential development will continue to be well received by the marketplace.

Please refer to the *East Contra Costa County Housing Market Overview* for a discussion on absorption rates and supply and demand influences. In general, the residential market is strong in the subjects' market area, with steady to increasing prices and steady absorption rates. With demand and prices steady to rising, land values are also increasing. Even with current land prices, builders are reportedly making sufficient profits to warrant construction of new residential units targeting moderate to upper-income level homebuyers. 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 strong 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 this component.

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), which 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 that 10% of 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.

Highest and Best Use – As Improved (Single-Family Residential Component)

The 14 individual ownership properties are improved with single-family residences constructed from the late-1960s to early 1990s. As with the highest and best use as vacant, the tests of highest and best use must also be applied to the subject properties considering the in-place improvements. We have taken into account alternative uses for the properties, such as demolition, expansion, conversion or renovation. Based on our exterior inspection of these properties, the improvements are considered to be of average quality/condition and appear to have been adequately maintained. The subject properties can legally and physically continue to be utilized in their exact as-is condition. Furthermore, continued use is consistent with our conclusion of highest and best use as vacant. Therefore, the subjects' highest and best use - as improved - is for continued use as single-family residences.

Highest and Best Use – As Vacant (Mobile Home Park Component)

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

Legal Permissibility

The mobile home park component of the subject properties consists of an 11.35-acre parcel identified as APN 012-170-005. The site is encumbered by an R-2: Moderate Density Multifamily Residential zoning ordinance, which allows a maximum density of nine dwelling units per acre.

Permitted uses include single-family lots, duplexes, triplexes, townhouses and apartments. Additionally, the subject property has approvals (entitlements) for use as a 94-unit mobile home park. In accordance with the underlying zoning ordinance, as well as the subject's entitlements, mobile home park development is considered the primary legally permissible use of this component.

Physical Possibility

The physical characteristics of a property 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 potential use for mobile home park development, at this point the physical characteristics are examined to see if they are suited for the legally permissible use.

The subject parcel contains 11.35 acres of land area and is irregular in shape. However, the overall shape of the property does not preclude development. The property is not within a floodplain or an earthquake zone. All utility services are available, and evidence of residential construction in the immediate area provides additional support for the possibility of development. Based on our physical inspection of the property, it appears the characteristics of the site would not prohibit residential development. While single-family and multifamily residential development are legally permissible and physically possible under the R-2 ordinance, the subject's positioning adjacent to the Union Pacific Railroad tracks, as well as its corner orientation at Balfour Road and Walnut Boulevard, leads us to conclude some alternative form of development that is consistent with the R-2 designation would be more appropriate.

Financial Feasibility

At this point in our analysis, it is necessary to consider the financially feasible, or profitable, use of the subjects' mobile home park component. The strong demand for single-family residential product in the East Contra Costa County area has led to increases in the median home price over the past several years. Housing in the area is increasingly more unaffordable to entry-level homebuyers, who are being forced to either purchase homes in outlying areas, or search for an alternative housing product. Considering the location and overall specifics of the subject property, as well as the lack of affordable housing in the current market environment, development as a mobile home park, consistent with the underlying land use designation, is considered a financially feasible use of the subject property.

Maximum Productivity - Conclusion

Development of a mobile home park is the maximally productive land use that is legally permissible, physically possible and financially feasible. Thus, it is our conclusion the highest and best use – as vacant – of the subject property is to maximize the allowable density and develop a mobile home park that would cater to the demands of the market.

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, two additional approaches, the extraction technique and the subdivision development method, are 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]

Subdivision Development Method

A method of estimating land value when subdivision and development are the highest and best use of the parcel of land being appraised. All direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales; the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the market value of property.[12]

[11] The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002), 106.
[12] The Dictionary of Real Estate Appraisal, 279.

APPRAISAL METHODOLOGY

We have been requested to provide estimates of hypothetical market value of the subject properties by tract and/or configuration. For example, Subdivision 8729 has three predominant lot size configurations; therefore, the hypothetical market value estimates for this tract will be segregated by configuration. For the single-family residential component, the sales comparison approach and extraction technique will be employed to estimate value for the typical, or predominate, production residential lot configuration (5,400 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 that are either smaller or larger than the subjects' 5,400 square foot lots. With respect to the 11.35-acre mobile home park property and 14 existing single-family residences, the valuation of the improvements (mobile homes and single-family homes) on these parcels is beyond the scope of our analysis; therefore, in estimating the hypothetical market values of these properties, we only consider the value of the underlying land. The sales comparison approach will be utilized once again to analyze comparable sales in order to develop opinions of hypothetical market value for these properties. Additionally, the income capitalization approach will be applied in the valuation of the mobile home park property. Finally, the active adult category of Subdivision 8796 consists of 1,016 residential lots, excluding the duet lots. Our survey of comparable transactions revealed no recent bulk sales of subdivisions with lot counts exceeding 369 lots. Thus, the application of a discounted cash flow analysis (subdivision development method) is deemed appropriate to estimate the hypothetical market value of this category.

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

The hypothetical market values of the subjects' single-family residential and mobile home park components will be estimated in this section of the report. The valuation assumes the improvements to be financed by the Assessment District No. 2005-1 bond issuance are in place. We will begin by estimating the hypothetical market values of the single-family residential component, followed by the analysis for the mobile home park component.

In estimating the hypothetical market values for the single-family residential component, we will derive loaded lot indicators for each residential village by analyzing comparable sales of recent transactions in the market area. As a supporting value indicator, we will use the residual analysis, or extraction technique.

Sales Comparison Approach – Single-Family Residential Component

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.*"

We will utilize the sales comparison approach 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. 2005-1 bond issuance are in place and available for use.

The subject properties and several of the comparables utilized in our analysis have a special assessment (bond) obligation. The comparables will be analyzed to reflect the impact of the bond indebtedness on value. Additionally, there are differences in Homeowner's Association (HOA) dues 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 to be 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.

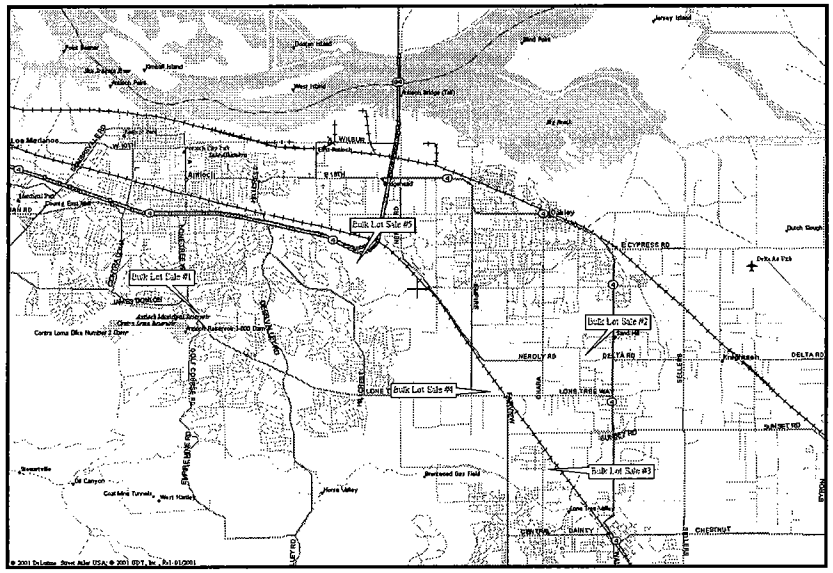
There are approximately 10 different lot size groupings represented by the subjects' proposed single-family residential lots: 1,900 square feet, 2,500 square feet, 5,000 square feet, 5,400 square feet, 7,540 square feet, 8,500 square feet, 10,000 square feet, 10,200 square feet, 13,000 square feet and 15,000 square feet. The largest single group of lots, in terms of lot count, is the subjects' 5,400 square foot lots. Thus, to facilitate the following analysis, we will use the 5,400 square foot lot grouping as the basis for our valuation. At the end of this section, we will utilize the data set and other market indicators to establish the incremental value difference between each of the lot groupings that are either smaller or larger than the subjects' 5,400 square foot lots.

The survey of recent transactions revealed five comparables in the subjects' market area and surrounding submarkets that are considered good indicators of hypothetical market value for the subjects' single-family residential component. The sales cover the period from May 2003 to February 2005 and range in quantity from 86 to 369 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	Sale Price	No. of Lots	Typical Lot Size (SF)	Price Per Lot	Permits and Fees	PV of Bonds	Costs to Complete*	Loaded Lot Indicator
1	NEC of Lone Tree Way and Bluerock Drive Antioch	Feb-05	$13,500,000	86	3,500	$156,977	$37,000	$0	$71,424	$265,401
2	Tract 8451, west of Main Street, north of Delta Road Oakley	Aug-04	$12,789,000	147	8,822	$87,000	$65,000	$ 14,000	$57,200	$223,200
3	North side of Sand Creek Road, east of Minnesota Avenue Brentwood	Apr-04	$30,255,000	311	8,000	$97,283	$44,568	$0	$108,305	$250,156
4	South side of Lone Tree Way, west of Fairview Avenue Brentwood	Jul-03	$9,183,916	133	8,002	$69,052	$46,462	$ 12,930	$63,836	$192,280
5	Nelson Ranch North of the Contra Costa Canal, southeast of State Highway 4 Antioch	May-03	$25,718,182	369	8,950	$69,697	$18,557	$ 21,956	$71,920	$182,130

* Inclusive of a 10% allocation for profit.



COMPARABLE BULK LOT SALE NO. 1

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 (Contract)
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.

COMPARABLE BULK LOT SALE NO. 2

Property Identification

Location	Along the west line of Main Street (State Highway 4), north of Delta Road, Oakley, Contra Costa County, California
Assessor's Parcel Number(s)	034-230-002, 037-250-009, -012 through –014, 034-260-016 and -018

Sale Data

Grantor	Oakley Main Street Associates
Grantee	Meritage Homes
Sale Date	August 2004 (Contract); June 2005 (COE)
Property Rights Conveyed	Fee simple
Conditions of Sale	Market
Financing Terms	All cash to the seller
Sale Price	$12,789,000
Annual Special Assessments per Lot	$1,148

Land Data

Zoning	Single-family residential
Topography	Generally level
Utilities	Available
Number of Lots	147
Development Status at Sale	Unimproved lots
Typical Lot Size (SF)	8,822 square feet (average)

Indicators (Per Lot)

Sale Price	$ 87,000
Site Development Costs	$ 52,000
Profit Allocation at 10%	$ 5,200
Finished Lot Indicator	$ 144,200
PV of Bonds	$ 14,000
Permits and Fees	$ 65,000
Loaded Lot Indicator	$ 223,200

Remarks

In August 2004, Meritage Homes entered into contract with Oakley Main Street Associates to purchase 147 unimproved lots located west of Main Street and north of Delta Road, within the city of Oakley. It was reported the property was on the market one month prior to the sale. Escrow closed in June 2005.

COMPARABLE BULK LOT SALE NO. 3

Property Identification

Location	North side of Sand Creek Road, east of Minnesota Avenue, Brentwood, Contra Costa County, California
Assessor's Parcel Number(s)	016-050-001, 016-060-001, 016-070-001, -002, and 016-090-001

Sale Data

Grantor	BW Sand Creek Partners
Grantee	BLS Investments (Lennar Corporation)
Sale Date	April 2004 (Contract), August 2004 (COE)
Property Rights Conveyed	Fee simple
Conditions of Sale	Market
Financing Terms	All cash to the seller
Sale Price	$30,255,000
Annual Special Assessments per Lot	None

Land Data

Zoning	Single-family residential
Topography	Generally level
Utilities	Available
Number of Lots	311
Development Status at Sale	Unimproved lots
Typical Lot Size (SF)	8,000 square feet

Indicators (Per Lot)

Sale Price	$ 97,283
Site Development Costs	$ 98,459
Profit Allocation at 10%	$ 9,846
Finished Lot Indicator	$ 205,588
PV of Bonds	$ 0
Permits and Fees	$ 44,568
Loaded Lot Indicator	$ 250,156

Remarks

BLS Investments, an affiliated company of Lennar Corporation, purchased 311 unimproved lots located north of Sand Creek Road and east of Minnesota Avenue in April 2004. The sale price was $30,255,000 ($97,283 per lot) and site development costs were reported at $98,459 per lot. After including a profit allocation to the site costs (10%) and permits and fees in the amount of $44,568 per lot, the loaded lot indicator equates to $250,156 per lot.

COMPARABLE BULK LOT SALE NO. 4

Property Identification

Location	South side of Lone Tree Way, west of Fairview Avenue, Brentwood , Contra Costa County, California
Assessor's Parcel Number(s)	N/Av

Sale Data

Grantor	Curring Investments, Inc. (1/4 interest), William and Betty Curring (1/4 interest), Lawrence Martin (1/8 interest), Ralph Martin (1/8 interest), James Martin (1/8 interest) and Paul Martin (1/8 interest)
Grantee	Warmington Homes
Sale Date	July 2003
Property Rights Conveyed	Fee simple
Conditions of Sale	Market
Financing Terms	All cash to the seller
Sale Price	$9,183,916
Annual Special Assessments per Lot	$1,060

Land Data

Zoning	Single-family residential
Topography	Generally level
Utilities	Available
Number of Lots	133
Development Status at Sale	Unimproved lots
Typical Lot Size (SF)	8,002 square feet (average)

Indicators (Per Lot)

Sale Price	$ 69,052
Site Development Costs	$ 58,033
Profit Allocation at 10%	$ 5,803
Finished Lot Indicator	$ 132,888
PV of Bonds	$ 12,930
Permits and Fees	$ 46,462
Loaded Lot Indicator	$ 192,280

Remarks

This comparable represents the July 2003 sale of a 133-lot subdivision located south of Lone Tree Way and west of Fairview Avenue, within the city of Brentwood. The average lot in this development measures approximately 8,002 square feet. According to the developer, site improvement costs equate to $58,033 per lot. Accounting for the assessment lien and permits and fees, the loaded lot indicator equates to $192,280 per lot.

COMPARABLE BULK LOT SALE NO. 5

Property Identification

Location	North of the Contra Costa Canal, west of the Southern Pacific Railroad tracks and southeast of State Highway 4, Antioch, Contra Costa County, California
Assessor's Parcel Number(s)	052-061-039

Sale Data

Grantor	UCLD Properties, LLC
Grantee	Duc Housing Partners, Inc.
Sale Date	May 2003 (Contract), June 2003 (COE)
Property Rights Conveyed	Fee simple
Conditions of Sale	Market
Financing Terms	All cash to the seller
Sale Price	$25,718,182
Annual Special Assessments per Lot	$1,800

Land Data

Zoning	Single-family residential
Topography	Rolling
Utilities	Available
Number of Lots	369
Development Status at Sale	Unimproved lots
Typical Lot Size (SF)	8,950 square feet

Indicators (Per Lot)

Sale Price	$ 69,697
Site Development Costs	$ 65,382
Profit Allocation at 10%	$ 6,538
Finished Lot Indicator	$ 141,617
PV of Bonds	$ 21,956
Permits and Fees	$ 18,557
Loaded Lot Indicator	$ 182,130

Remarks

According to public records, this comparable (Nelson Ranch) transferred between UCLD Properties, LLC, grantor, and Duc Housing Partners, Inc., grantee, for $25,718,182. The buyer was responsible for improving the lots and, based on the developer's budget, site improvement costs equate to $24,125,941, or $65,382 per lot, exclusive of profit.

Adjustments

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, we analyze sales comparables 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 villages comprising the subject properties has varying permit and fee structures, as well as permit and fee reductions through regional improvements financed by the Assessment District No. 2005-1 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. 2005-1 bond proceeds – will be deducted.

Bonds and Assessments

Bond districts encumber several of the comparables utilized for this analysis, as well as the subject properties. The comparables are adjusted based on the impact of bond indebtedness on value (included in the loaded lot indicators).

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 the appraiser's 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 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. Based on our 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, Comparables #2 through #5, which represent year 2003 and 2004 sales, require upward adjustments to account for the improvement in market conditions since the sale dates.

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 either located in Brentwood or the neighboring cities of Antioch and Oakley. 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. None of the comparables has a lot count that differs enough from the subjects' individual villages to warrant an adjustment.

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' 5,400 square foot lot size category. The degree of adjustment is dependent on the size disparity between the comparable and the subjects' 5,400 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.

Affordable Housing

To be in compliance with Ordinance No. 790, subdivisions in the city of Brentwood with lot counts exceeding four lots are to construct, or make available for construction, 10% of the total number of dwelling units as affordable housing units. Comparables #1, #2 and #5 are located within Antioch and Oakley, which do not have the same affordable housing requirement. Therefore, these comparables are deemed superior to the subject properties and require downward adjustments.

Loaded Lot Indicator – Sales Comparison Approach

In comparison to the subjects' 5,400 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 5,400 square feet. Significant interest in developable residential land throughout the Brentwood market and greater Contra Costa County area has occurred during the past year; consequently,

upward adjustments to account for improvements in market conditions were applied to several of the comparable sales. 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 $245,000 per loaded lot for the standard 5,400 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 profit for the construction of a home. The result of this analysis represents an estimate of the residual lot value for an improved 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 (5,400 square feet), we will estimate a typical new production home for the subject properties that is based on a survey of active subdivisions within the Brentwood market. For the purposes of our extraction technique, we will utilize a 2,300 square foot floor plan, which is considered representative of the average product being offered in similar developments. The following table details several competitive projects in the Brentwood market. The data is taken from The Gregory Group 1st Quarter 2005 Housing Report.

Project	Builder	Planned Units	No. of Units Sold	Lot Size (SF)	Total Weekly Sales Rate	Average Floor Plan (SF)	Average Base Price
Bridgeview at Deer Ridge	KB Homes	140	25	7,500	0.78	3,080	$678,167
Classics at Rose Garden	Pulte Homes	121	26	8,500	2.56	3,293	$775,720
Dream Catcher Ridge	Western Pacific Housing	169	39	7,500	2.17	3,208	$768,054
Estates at Rose Garden	Pulte Homes	93	23	6,000	1.67	2,564	$622,963
Gables at Legends	William Lyon Homes	99	99	5,000	1.02	2,274	$414,740
Harmony	California Homes	102	91	5,100	0.83	2,330	$604,157
Serata	Lafferty Homes	84	60	6,000	0.68	2,990	$788,490
St. Andrews at Deer Ridge	Western Pacific Housing	121	121	6,000	0.83	2,910	$617,390
Sterling Gate	Meritage Homes	96	63	7,500	1.97	2,871	$682,390
Stonebrooke Estates	Western Pacific Housing	128	125	6,500	1.32	3,045	$654,657
Stonehaven	Braddock and Logan	45	45	6,000	0.90	2,335	$564,567
The Parc at Cedarwood	Signature Properties	75	12	7,095	1.50	2,273	$564,150
Visions at Brentwood	Warmington Homes	133	45	8,000	1.41	3,447	$723,000

After examination of the active single-family residential developments in the Brentwood market, an average base price of $550,000 is concluded for the subjects' 2,300 square foot floor plan. The present value of bonds 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 following table.

Project / Location	Effective Date	Floor Plan (SF)	Direct Costs per SF
Blossom Manor	2005	2,000	$65.00
Suisun City		2,250	$65.00
Olive Court	2005	2,819	$95.00
Novato		3,223	$95.00
		3,418	$95.00
Ladera Estates	2005	3,277	$78.65
Livermore		3,774	$76.65
		4,030	$74.65
Burkshire Estates	2005	2,749	$68.38
Modesto		2,886	$68.38
		3,147	$68.38
Mossdale Landing, Village 2	2004	2,005	$75.06
Lathrop		2,289	$70.11
		2,542	$67.24
		2,836	$63.95
		3,015	$63.44
		3,253	$63.68
Nelson Ranch, Product Line 1	2004	1,979	$58.49
Antioch		2,157	$58.07
		2,322	$61.80
		2,614	$58.91
Nelson Ranch, Product Line 2	2004	2,430	$59.00
Antioch		2,780	$59.00
		3,173	$58.16
		3,422	$58.83

Based on the cost comparables presented, we estimate average direct costs in the amount of $75 per square foot.

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 norms, we have used 3.0% for General and Administrative expenses.

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. Based on current market conditions, a profit margin of 15% of the indicated retail value is concluded.

Conclusion

The residual analysis, based upon the cited factors, is presented below:

Living Area (SF)	2,300
Sale Price	**$550,000**
Assessment Lien	**$22,000**
Total Consideration	**$572,000**
Less:	
Direct costs of construction (2,300 sf x $75 psf)	($172,500)
Indirect costs at 15% of direct costs	($25,875)
General and administrative at 3% of sales price	($16,500)
Sales and marketing at 6% of sales price	($33,000)
Developer's profit at 15% of sales price	($82,500)
Loaded Lot Value	$241,625
Rounded	**$242,000**

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.

Sales Comparison Approach	**$245,000**
Extraction Technique	**$242,000**

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 and is believed to substantiate the sales comparison approach value conclusion. Considering the information cited above, we have concluded a loaded lot value of **$245,000** per lot for the subjects' base 5,400 square foot lot.

Loaded Lot Indicators

Using the 5,400 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. In addition to lot size discrepancy, project location and configuration are also considered in the valuation of the residential components. The following table details the hypothetical loaded lot value conclusions for each lot size category.

Owner/Developer	Tract/APN	No. of Lots	Typical Lot Size (SF)	Loaded Lot Value
Pinn Brothers	SUBD 8729 (Small Lots)	165	1,900	$182,000
	SUBD 8729 (Medium Lots)	210	5,000	$242,000
	SUBD 8729 (Large Lots)	78	8,500	$270,000
Western Pacific Housing	SUBD 8854 (Standard Lots)	107	7,540	$262,000
	SUBD 8854 (Half-Plex Lot)	1	4,000	$234,000
Meritage Homes	SUBD 8875	84	10,200	$283,000
The Mark Pringle Co.	SUBD 8763	11	10,000	$282,000
Trilogy Vineyards, LLC	SUBD 8796 (Executive Lots)	128	15,000	$303,000
	SUBD 8796 (Winery Lots)	4	13,000	$291,000
	SUBD 8796 (Active Adult Lots)	1,016	5,400	$245,000
	SUBD 8796 (Adult Duet Lots)	84	2,500	$193,000

In order to estimate the hypothetical market values of the subjects' single-family residential component, deductions are required for site development costs and permits and fees. The site development costs are based on the developers' budgets and appear reasonable relative to comparable projects located throughout the Northern California Region. 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 incorporated to the site development costs. We will deduct estimated site development costs from the loaded lot indicators for each of the individual villages.

The Assessment District No. 2005-1 bond issuance will finance a portion of the developers' impact fees payable upon obtaining building permit. Additionally, 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. We have relied on the most recent fee credit estimates

available from the engineer (Carlson, Barbee and Gibson, Inc.), as well as the City of Brentwood Building Department, to account for permit and fee reduction. While the fee credit estimates represent preliminary projections, it is assumed they will not change significantly.

The valuation is premised on the assumption that each of the properties would sell within one year of exposure to the market. A discussion of absorption follows below.

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, we have attempted to consider 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.

A clear indication of the market demand for developable residential land is evident in the fact that in the past several years all of the near ready for development land in the subjects' market area has either been under some form of purchase agreement or option agreement to purchase. As a result of the substantial demand for developable land in the East Contra Costa County area, the nearby Central Valley has been experiencing significant increases in single-family residential prices. California's Central Valley, which includes both the Sacramento and San Joaquin Valleys, has achieved significant absorption of near ready for development residential land. For instance, in the city of Lincoln, in south Placer County, is the Lincoln Crossing master planned community. This development is located just west of State Highway 65, south of Moore Road, and incorporates 1,066 acres of land. Lincoln Crossing is being developed in two phases, bisected by the proposed State Highway 65 Bypass, scheduled to begin this year. Phase I includes 541 acres north of the State Highway 65 Bypass and will include 1,138 single-family residential lots, two school sites, 10 acres of multifamily residential land, 17.9 acres of commercial land and 8 acres of office land. Development of Phase I was recently completed. Phase II, which includes 525 acres south of the proposed State Highway 65 Bypass, contains an additional 1,555 single-family residential lots, 17.6 acres of commercial land, and an 8-acre school site. The balance, 54 acres, will be used as right-of way to support the Bypass. Phase II development began in Summer 2003, with completion in late-

2004. Shortly after entering the market, 828 lots within Phase I of Lincoln Crossing were sold to merchant builders, including KB Homes, Centex Homes and Morrison Homes.

Further illustrating the demand for developable residential land throughout the Central Valley, in the city of Lathrop, in San Joaquin County, just south of the city of Stockton, Pacific Union Homes is developing the Mossdale Landing master planned community, which, at build-out, will include 998 detached single-family residences. In terms of market acceptance, all of Phase I of the Mossdale Landing development, which includes 550 proposed single-family lots, had sold to merchant builders within one year, and development is currently underway.

In western Stanislaus County, in the city of Patterson, the Keystone Corporation, a North Carolina developer, is developing the Patterson Gardens master planned community, a 985-lot residential community with adjoining commercial component. The demand for the single-family residential lots within the Patterson Gardens development is illustrated by the fact Keystone Corporation has signed purchase agreements or letters of intent to sell five of the six residential villages comprising the development, which totals 938 of the 985 proposed single-family residential lots. The buyers include Grupe Homes, Ranchwood Homes and William Lyon Homes.

Just north of the Patterson Gardens development, KB Homes had a 1,028-lot subdivision known as Heartland Ranch. The community opened in October 1997 and achieved an average absorption of approximately 15 homes per month. According to the sales agent, a significant portion of the buyers represented Bay Area commuters. Adjacent to the Heartland Ranch development, Walker Ranch I and II represent 813 single-family residential lots, all of which sold to merchant builders, including KB Homes and Richmond American Homes. North of Walker Ranch, California Homes acquired 151 lots and is constructing a single-family residential subdivision offering nine floor plans.

Considering the information presented above, in particular the level of market acceptance the Central Valley communities have enjoyed, which is directly related to the demand for single-family product by Bay Area homebuyers, we have concluded that each of 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 ready for development residential land in the area. Thus, with exception to the active adult category of Subdivision 8796, no discounting is deemed necessary. It should be noted the absorption considers the concurrent marketing of all the residential components within the District.

Conclusion

Based on the preceding discussion and analysis, the hypothetical market value estimates for the single-family residential component, by owner/developer, is presented on the following pages.

Conclusion of Hypothetical Market Value – Subdivision 8729 (Marseilles)

The Marseilles subdivision has three predominant lot size configurations; thus, the hypothetical market value estimates will be segregated by configuration. Net permits and fees, as well as off-site and on-site improvement costs, will be deducted in order to provide estimates of hypothetical market value for each lot size configuration. Based on the developer's budget, on-site development costs equate to $20,164,269. After including a profit factor of 10%, the on-site costs are estimated at $22,180,696, or approximately $48,964 per lot. The off-site costs have been budgeted at $8,456,477, of which $3,357,150 will be financed through the issuance of Assessment District No. 2005-1, leaving $5,099,327 in off-site costs to be paid by the developer. Total permits and fees are estimated at $26,177,964 ($57,788 per lot). However, the developer is entitled to impact fee reductions associated with the off-site development, as well as the prepayment of permits and fees to be financed by Assessment District No. 2005-1. Therefore, the net permits and fees deducted from the conclusion of loaded lot value equate to $16,566,802. The on-site costs, off-site costs and net permits and fees are accounted for based on a lot count allocation. For example, the small lot configuration encompasses 165 of the 453 residential lots. As such, the on-site costs for this configuration are calculated at $22,180,696 x (165/453), or $8,079,061. The estimates of hypothetical market value for Subdivision 8796 are as follows:

Tract/Configuration	Amount ($)
SUBD 8729 (165 Small Lots)	
Loaded Lot Value	$30,030,000
Less: On-Site Development Costs	($8,079,061)
Less: Off-Site Development Costs	($1,857,371)
Less: Net Permits and Fees	($6,034,266)
Conclusion of Hypothetical Market Value	$14,059,302
Rounded	**$14,060,000**
SUBD 8729 (210 Medium Lots)	
Loaded Lot Value	$50,820,000
Less: On-Site Development Costs	($10,282,442)
Less: Off-Site Development Costs	($2,363,926)
Less: Net Permits and Fees	($7,679,974)
Conclusion of Hypothetical Market Value	$30,493,657
Rounded	**$30,490,000**
SUBD 8729 (78 Large Lots)	
Loaded Lot Value	$21,060,000
Less: On-Site Development Costs	($3,819,193)
Less: Off-Site Development Costs	($878,030)
Less: Net Permits and Fees	($2,852,562)
Conclusion of Hypothetical Market Value	$13,510,216
Rounded	**$13,510,000**

Conclusion of Hypothetical Market Value – Subdivision 8854

Subdivision 8854 will be developed by D.R. Horton (Western Pacific Housing). This project is located at the northeast corner of Balfour Road and Fairview Avenue and has been approved for the development of 112 residential lots, inclusive of four half-plex lots. Three of the four half-plex lots have been designated for affordable housing, and one lot will be developed with a four-plex affordable housing unit. Also proposed are a 2.00-acre neighborhood park and 10.50-acre commercial site. These sites, as well as the affordable housing lots, will not be encumbered by an assessment lien.

Based on the approved tentative map, the appraised portion of Subdivision 8854 consists of 107 lots with a typical lot size of 7,540 square feet and one half-plex lot measuring 4,000 square feet. Applying the loaded lot value conclusions derived previously, the weighted average loaded lot value for Subdivision 8854 is estimated as follows:

	Typical Lot Size (SF)	No. of Lots	Loaded Lot Value Conclusion		Ratio		Weighted Loaded Lot Value	Conclusion (Rounded)
Standard Lots	7,540	107	$262,000	x	99%	=	$259,574	**$261,500**
Half-Plex Lots	4,000	1	$234,000	x	1%	=	$2,167	**per lot**

Including a 10% profit factor to the engineer's budgeted in-tract costs, the on-site costs are estimated at $5,098,861, or $47,212 per lot. The issuance of Assessment District No. 2005-1 will finance $1,246,656 in off-site improvement costs. Deducting this amount from the total budgeted off-site costs of $1,468,045 leaves $221,389 in remaining off-site costs. Finally, while total permits and fees for this development are $6,109,140, the net permits and fees are reduced to $3,422,013 after taking into account prepaid fees and fee credits. Based on the preceding discussion and analysis, the hypothetical market value of Subdivision 8854 is estimated below.

Tract/Configuration	Amount ($)
SUBD 8854	
Loaded Lot Value	$28,242,000
Less: On-Site Development Costs	($5,098,861)
Less: Off-Site Development Costs	($221,389)
Less: Net Permits and Fees	($3,422,013)
Conclusion of Hypothetical Market Value	$19,499,737
Rounded	**$19,500,000**

Conclusion of Hypothetical Market Value – Subdivision 8875 (Sterling Preserve III)

Sterling Preserve III (Subdivision 8875) is located along the east line of O'Hara Avenue, south of Lone Tree Way. This development is proposed for 84 single-family residential lots ranging from 9,093 to 14,959 square feet, with an average lot size of approximately 10,200 square feet.

A loaded lot value of $283,000 per lot was concluded for this project. Based on the developer's budget, and after including a profit allocation at 10% of the site costs, in-tract costs are estimated at $6,882,040, or $81,929 per lot. The off-site costs relating to the development of O'Hara Avenue, project frontage, utilities and trail improvements equate to $3,286,800, of which $1,246,140 will be financed by the Assessment District No. 2005-1 bond issuance. Total permits and fees are budgeted at $6,182,257, or $73,598 per lot. Of this amount, $2,136,996 in permit and fee reductions associated with the off-site development, as well as the prepayment of permits and fees to be financed by Assessment District No. 2005-1, are deducted. As such, net permits and fees equate to $4,051,395. It is noted the estimated fee credits for the roadway and park fees exceed the actual roadway and park fees payable to the city of Brentwood upon obtaining building permit. Thus, for these fee credits, we do not consider the excess credits, since the developer will most likely not receive credits for fees that they are not paying. The hypothetical market value estimate of Subdivision 8875 is presented below.

Tract/Configuration	Amount ($)
SUBD 8875	
Loaded Lot Value	$23,772,000
Less: On-Site Development Costs	($6,882,040)
Less: Off-Site Development Costs	($2,040,660)
Less: Net Permits and Fees	($4,051,395)
Conclusion of Hypothetical Market Value	$10,797,905
Rounded	**$10,800,000**

Conclusion of Hypothetical Market Value – Subdivision 8763 (Ashford Park II)

Subdivision 8763 is situated within the confines of a single assessor's parcel identified as 019-100-017, which contains 5.09 acres of land area. The parcel is currently improved with a single-family residence; however, the property has been mapped so that the existing home will reside on a 0.96-acre parcel, while the remainder of the property will be subdivided to create 11 lots ranging from 9,020 to 20,082 square feet, with an average lot size of 10,000 square feet. The appraised property consists of these 11 lots.

On-site and off-site improvement costs, as well as net permits and fees, will be deducted in order to derive an estimate of hypothetical market value for this tract. Based on the developer's budget, on-site development costs equate to $661,937. After including a profit factor of 10%, the on-site costs are estimated at $728,131, or approximately $66,194 per lot. The off-site costs have been budgeted to cost $58,700, of which $49,227 will be financed through the issuance of Assessment District No. 2005-1, leaving $9,473 in off-site costs to be paid the developer. Total permits and fees are estimated to be $770,000 ($70,000 per lot). However, the developer is entitled to permit and fee reductions associated with the off-site development, as well as the prepayment of permits and fees to be financed by Assessment District No. 2005-1. The permit and fee reduction is budgeted at $281,667; therefore, the net permits and fees are $488,333.

Tract/Configuration	Amount ($)
SUBD 8763	
Loaded Lot Value	$3,102,000
Less: On-Site Development Costs	($728,131)
Less: Off-Site Development Costs	($9,473)
Less: Net Permits and Fees	~~($488,333)~~
Conclusion of Hypothetical Market Value	$1,876,063
Rounded	**$1,880,000**

Conclusion of Hypothetical Market Value – Subdivision 8796 (Vineyards at Marsh Creek)

Subdivision 8796 encompasses 474.41 acres and is located in the southern extremity of Brentwood, south and west of Concord Avenue. This tract is also 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.

As noted, the active adult category of Subdivision 8796 consists of 1,100 residential lots. Excluding the duet units, for which the hypothetical market value is derived separately, there are 1,016 standard active adult lots (5,400 sf average lot size). Our survey of comparable transactions revealed no recent bulk sales of subdivisions with lot counts exceeding 369 lots. Thus, while the residential lots are anticipated to sell within one year of exposure to the market, a discounted cash flow analysis is deemed appropriate to reflect multiple transactions of the villages (phases). The subdivision development method will be employed and is defined as follows:

> A method of estimating land value when subdivision and development are the highest and best use of the parcel of land being appraised. All direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales price; the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the market value of the property.[13]

We will utilize a discounted cash flow analysis to value the subject properties under the subdivision development method. The four main items of our discounted cash flow analysis are listed as follows:

- **Revenue** – the gross income is derived in this section.
- **Absorption Analysis** – the time frame required for sell-off. Of primary importance in this analysis is the allocation of the revenue over the absorption period – including the estimation of an appreciation factor (if any).
- **Expenses** – all expenses associated with the sell-off are calculated in this section – including administration, marketing and commission costs, as well as taxes and special assessments.
- **Discount Rate** – an appropriate discount rate is derived employing a variety of data.

Our discussions of these four concepts begins on the following page, with our discounted cash flow analysis offered at the end of this section.

[13] The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002), 279.

Revenue

The revenue will be generated by the sale of the 1,016 active adult lots. By employing the sales comparison approach and extraction technique, we estimated a loaded lot value of $245,000 per lot. This value conclusion serves as the revenue component of the discounted cash flow analysis.

Absorption

Detailed absorption information was presented for several large-scale projects within the Northern California region. Please reference the conclusion of loaded lot values for the discussion on absorption. 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. Further, the median new home price continues to escalate at a steady pace. Excluding the 84 duet lots, the subject's active adult residential component encompasses 1,016 detached single-family residential lots. Our survey of the Brentwood market revealed no active age-restricted residential new home communities. The Summerset age-restricted community, located to the northeast of the subject, received steady demand and has sold out. Therefore, competition for the subject's product line is considered to be limited. Upon examining the development timeline and scope of the project, it is estimated the residential villages could transfer within three quarters (nine months) of exposure to the market. Thus, the discounted cash flow analysis will reflect sales of residential lots over three-quarter period.

Expenses

Site Development Costs

The site development cost budget provided by Carlson, Barbee and Gibson details both off-site and on-site costs. Total off-site costs for the Vineyards at Marsh Creek project have been estimated at $56,961,700. However, the active adult category encompasses 1,016 of the 1,232 residential lots within the subdivision. Thus, the portion of off-site development costs associated with the active adult lots is $56,961,700 x (1,016/1,232), or $46,974,908. Further, the issuance of Assessment District No. 2005-1 will finance $18,125,960 in off-site development costs to the active adult category. As such, net site development costs equate to $28,848,948, which will be deducted in the discounted cash flow analysis.

The engineer's estimate for in-tract costs relating to the active adult category is $25,871,055. After including a 10% profit allocation to these costs, total in-tract costs are estimated at $28,458,161.

Permits and Fees

The permit and fee structure for the Vineyards at Marsh Creek development was negotiated with the City of Brentwood and is detailed in the Development Agreement. Overall permits and fees for this

project are lower in comparison to the balance of the properties within the District. The difference primarily relates to the fact that the capital improvement (impact) fees are significantly less on a per unit basis. For the active adult category, permits and fees equate to $35,278 per lot. It is noted, however, that the developer is not required to pay impact fees for 200 of the 1,100 active adult lots (inclusive of 84 duet lots). Thus, total permits and fees are reduced to $28,864 per lot ($35,278 per lot x (900/1,100)).

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 norms, we have used 3.0% for General and Administrative expenses.

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.

Interim Ad Valorem Taxes and Assessments

This appraisal is predicated on and assumes a sale of the appraised properties. Interim ad valorem real estate taxes are based on the subject's current tax rate (1.1105%). As the parcels are sold off, the average tax liability is estimated and then applied to the unsold inventory.

Assessment District (AD)

With respect to special assessments, the appraised properties are located within the boundaries of Assessment District No. 2005-1. We have relied upon the Final Engineer's Report, prepared by Carlson, Barbee and Gibson, Inc., for determining the annual assessment lien on the appraised properties. The total special assessment for the standard active adult lots is $23,000 per unit. The annual payments are estimated based on a 25-year period with a 6.50% interest rate. Taking the total encumbrance for this development over a 25-year period (6.50% per year) yields an annual payment of $1,886 per unit.

Discount Rate

According to a leading publication within the appraisal industry, *The Korpacz Real Estate Investor Survey*[14], discount rates for land development range from 11.00% to 25.00%, with an average of 18.05% during the Second Quarter 2005. This represents no change from the Fourth Quarter 2004, and a decrease of 40 basis points from the Second Quarter 2004. According to the data presented in the survey prepared by Korpacz, the majority of those respondents who use the discounted cash flow (DCF) method do so free and clear of financing. Additionally, the participants reflect a preference in including the developer's profit in the discount rate, versus a separate line item for this factor. Accordingly, the range of rates presented above is inclusive of the developer's profit projection. The discount rates are based on a survey that includes residential, office, retail and industrial developments. Participants in the survey indicate the highest expected returns are on large-scale, unapproved developments. The low end of the range was extracted from projects where certain development risks had been lessened or eliminated. Several respondents indicate they expect slightly lower returns when approvals/entitlements are already in place.

Developer surveys conducted during the current economic cycle have elicited the following responses:

John Johnson of Pulte Homes indicated that they used a 7% static profit for starter homes in affordable markets but quickly moved into higher ranges for areas with entitlement risk.

Michael Courtney of Standard Pacific indicated that 8% static profits were tolerable for starter homes and that a 10% figure would be required for high-end homes, even for fast moving markets and product types.

Chris Downey of Hon Development - Minimum IRR requirements are 20-25%. For an 8 to 10 year cash flow, the return would be higher - say in the mid to upper 20's. Factors to consider in the estimation of the IRR include the upside potential, such as the potential to increase density, cut costs, etc. Hon Development has participated in both smaller scale residential community development and very large scale; full-integrated master planned community development with a wide variety of user types.

Lyle McCullogh of California Pacific Homes - No less than 20% IRR for land development, either entitled or unentitled. California Pacific Homes is the residential development arm for the Irvine Company and has participated in master planned community development in Irvine, Northern California and San Diego County.

Terry Ruckle of Grubb and Ellis - Mr. Ruckle is a broker involved in the sale of Northlakes, a 1,300-acre proposed master planned community in Castaic, Los Angeles County. Mr. Ruckle stated that the undisclosed buyer's IRR requirement was approximately 30%. He stated that this is fairly typical of the market for partially entitled master planned community land of this size and development range.

Gary Gorian of Dale Poe Development - Dale Poe Development is the master land developer for Stevenson Ranch. They are in the business of buying, selling and developing land. Mr. Gorian

[14] The Real Estate Investor Survey, Peter F. Korpacz and Associates, 2nd Quarter 2005, Volume 18, Number 2.

said 25% IRR for land development is typical. For properties with significant infrastructure costs, he would expect a slightly higher IRR. He would look at an entitled piece of land, ready to go, separately from the unentitled land.

David Pitts of Newhall Land and Farming - IRR's for land development deals should be in the low 20% range to 30% on an unleveraged basis, depending upon risk and length of the development period. Newhall Land is the master planned community developer of the community of Valencia. Additionally, Newhall Land has gained approvals for a new community that will be a larger master planned community in California.

Mark Palkowitsh of MSP California, LLC - This company is based in Denver, Colorado. They purchase unentitled and partially entitled land and take it to entitlements and sell it. They are currently involved in several Southern California large land deals, most in Riverside County and a few in Santa Clarita. They consider themselves risk takers and expect the higher returns for entitling properties. For large land deals from raw unentitled to tentative map stage, he would expect an IRR of 35%, unleveraged or leveraged. From tentative map to pad sales to merchant builders, an unleveraged IRR of 25% to 30% would be expected.

Rick Nieman of GFC - Mr. Nieman is involved with the purchase of Talega in San Clemente. Their IRR requirements for land with some entitlements is 18% to 22%, unleveraged. This return would be for developing and marketing the pads to merchant builders. They would anticipate an IRR of 30% for raw unentitled land with some entitlement "clean-up" involved. A recent example of this was the purchase of an industrial subdivision where they changed the entitlements to residential.

Roy Robertson of Ekotec - Mr. Robertson is an engineer and consultant to master plan developers. He previously worked for The Irvine Co. and has a great deal of experience of all levels of a master plan. For an unentitled property, the IRR requirements would be 20% to 30%. The lower end of the range would reflect those properties close to tentative maps.

Lin Stinson of Providence Realty Group - Mr. Stinson works with Security Capital and other private venture fund sources in acquiring land and joint venture partnerships in California and throughout the Pacific Southwest. He indicates that a yield rate in the low 20% range is required to attract capital to longer-term land holdings.

Gordon MacKenzie, formerly of Brookfield Development - Mr. MacKenzie has been directly involved with La Costa land holdings in San Diego County through two ownership's since the 1970's, up to the foreclosure with the Fieldstone Venture. When typical entitlement risk exists, he feels the IRR should be no less than 30%.

Dan Boyd of ESE Land Company and formerly of James Warmington Development indicated that merchant builder yield requirements were in the 20% range for traditionally financed tract developments. Larger land holdings would require 25% to 30% depending on the goals/patience of the funding partner. Environmentally challenged or politically risky development could well run in excess of 35% IRR with the possibility that some early entitlement/political work may be necessary before cooperative capital would become interested.

While the subject properties are still considered to exhibit a certain degree of risk, the positive attributes of the subjects include: 1) a tentative map and Development Agreement in place, 2) the strong market acceptance exhibited by other projects in the area, and 3) the population and

employment trends for the area. All of these factors tend to lessen the perceived risk of the subject developments.

Based on the previous discussion, we have concluded a discount rate towards the middle of the range indicated by *The Korpacz Real Estate Investor Survey*. Thus, in our analysis of the subject properties, we have utilized a discount factor of 18.00%.

The following table incorporates the preceding factors in estimating the hypothetical market value of the active adult category within Subdivision 8796. The discounted cash flow analysis is calculated on a quarterly basis; thus, the property tax calculation and discount rate have been adjusted to a quarterly basis as well.

Assumptions:

No. of Lots	Loaded Lot Value	Revenue
1,016	$245,000	$248,920,000

General and Administrative	3.0%
Marketing and Sales	6.0%
Annual Taxes per Lot	$1,384
Annual AD Payments per Lot	$1,886
Off-Site Development Costs	$28,848,948
In-Tract Development Costs	$28,458,161
Permits and Fees	$29,325,824
Discount Rate (IRR)	18.0%

Income and Expense Analysis:

Quarter (3 months)	1	2	3	Total
Inflation Factor	1.000	1.000	1.000	
Sales	339	339	338	1,016
Inventory	677	338	0	
Sales Revenue	$ 83,055,000	$ 83,055,000	$ 82,810,000	$ 248,920,000
Expenses				
General and Admin.	$ (2,491,650)	$ (2,491,650)	$ (2,484,300)	$ (7,467,600)
Marketing and Sales	$ (4,983,300)	$ (4,983,300)	$ (4,968,600)	$ (14,935,200)
Real Estate Taxes	$ (351,584)	$ (234,274)	$ (116,964)	$ (702,823)
AD Special Assessments	$ (478,936)	$ (319,133)	$ (159,331)	$ (957,400)
Off-Site Development Costs	$ (9,625,781)	$ (9,625,781)	$ (9,597,386)	$ (28,848,948)
In-Tract Development Costs	$ (9,495,390)	$ (9,495,390)	$ (9,467,380)	$ (28,458,161)
Permits and Fees	$ (9,784,896)	$ (9,784,896)	$ (9,756,032)	$ (29,325,824)
Total Expenses	$ (37,211,537)	$ (36,934,425)	$ (36,549,994)	$ (110,695,956)
NET INCOME	$ 45,843,463	$ 46,120,575	$ 46,260,006	$ 138,224,044
Present Value Factor	0.95694	0.91573	0.87630	
Discounted Cash Flow	$ 43,869,342	$ 42,233,992	$ 40,537,486	$ 126,640,821
Net Present Value	$ 126,640,821			

CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD) $ 126,640,000

The 128 executive lots, four single-family winery lots, and 86 active adult duet lots comprising the balance of Subdivision 8796 are each anticipated to transfer in a single transaction. Therefore, a discounted cash flow analysis is not deemed necessary for these categories. For the 128 executive lots, on-site costs are budgeted at $6,205,100, inclusive of a profit allocation. As noted, total off-site costs for the Vineyards at Marsh Creek project have been estimated at $56,961,700. The portion of off-site development costs associated with the executive lots is $56,961,700 x (128/1,232), or $5,918,099. Of this amount, $2,163,200 will be financed through the issuance of Assessment District 2005-1, leaving $3,754,899 in remaining off-site costs. Permits and fees for this category equate to $41,912 per lot. The four winery lots have on-site costs of $193,909, net off-site costs of $117,341, permits and fees in the amount of $167,648. Finally, off-site development costs for the 84 active adult duet lots total $3,883,752, of which $354,900 will be financed by the District. Thus, remaining off-site costs for this category are $3,528,852. The on-site costs are budgeted at $2,352,840 and permits and fees are $28,864 per lot. Utilizing the loaded lot values derived previously and deducting for site development costs (on- and off-site) and permits and fees, net of the improvements to be financed by the Assessment District No. 2005-1 bond issuance, the hypothetical market values of the executive, winery and duet lots are estimated below:

Tract/Configuration	Amount ($)
SUBD 8796 (128 Executive Lots)	
Loaded Lot Value	$38,784,000
Less: On-Site Development Costs	($6,205,100)
Less: Off-Site Development Costs	($3,754,899)
Less: Net Permits and Fees	($5,364,736)
Conclusion of Hypothetical Market Value	$23,459,265
Rounded	**$23,460,000**
SUBD 8796 (4 Winery Lots)	
Loaded Lot Value	$1,164,000
Less: On-Site Development Costs	($193,909)
Less: Off-Site Development Costs	($117,341)
Less: Net Permits and Fees	($167,648)
Conclusion of Hypothetical Market Value	$685,102
Rounded	**$690,000**
SUBD 8796 (84 Active Adult Duet Lots)	
Loaded Lot Value	$16,212,000
Less: On-Site Development Costs	($2,352,840)
Less: Off-Site Development Costs	($3,528,852)
Less: Net Permits and Fees	($2,424,576)
Conclusion of Hypothetical Market Value	$7,905,732
Rounded	**$7,910,000**

Sales Comparison Approach – 14 Individual Ownership Parcels

The 14 individual ownership parcels are improved with single-family residences constructed from the late-1960s to early 1990s. The valuation of the improvements on these parcels is beyond the scope of our analysis; therefore, in estimating the hypothetical market values of these properties, we will only consider the value of the underlying land. For purposes of our analysis, the homes will be treated as custom lots.

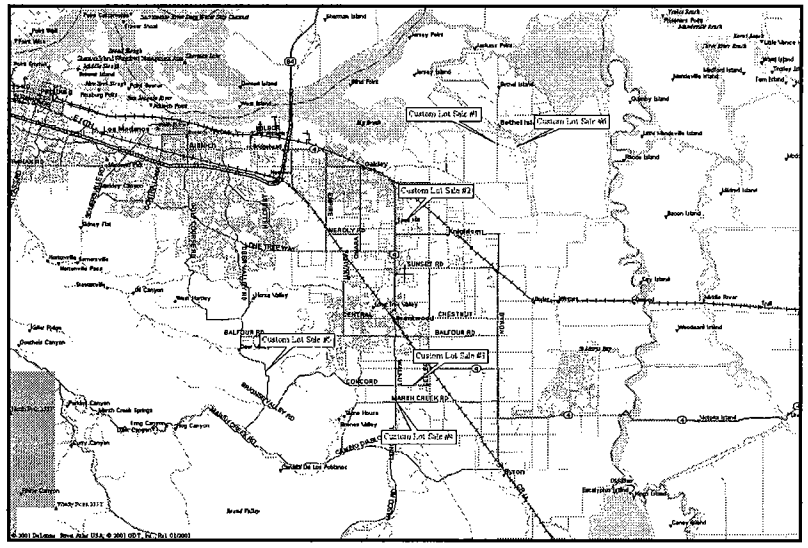
By employing the sales comparison approach, the hypothetical market values of the subject properties will be estimated by a comparison to similar properties that have recently sold, are listed for sale or are under contract. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace. The proper application of this approach requires obtaining recent sales data for comparison with the subject properties. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers).

In the case of land used for custom residential development, the process entails the analysis of an entitled site on a finished, or fully improved, lot basis, inclusive of any bond encumbrances. Retail sales of custom, single-family residential lots will be analyzed. In order to make an accurate comparison, consideration must be given to the variables that have an effect on retail lot values, which include lot size and configuration, location, topography, site utility and view amenities. Adjustments will be made when necessary to account for these variables when comparing the market data to the subject properties.

In the analysis that follows, we will present and analyze six comparable land sales. We will begin by presenting a summary tabulation on the following page, along with a location map. Detailed sales sheets and an adjustment discussion are presented after the summary table.

CUSTOM RESIDENTIAL LOT SALES

No.	Location	Sale Date	Sale Price	Lot Size (Acre)	Lot Size (SF)
1	3400 Sandmound Boulevard Oakley APN: 032-280-008	Aug-04	$250,000	3.21	139,828
2	151 Hill Avenue Oakley APN: 033-090-029	Dec-03	$160,000	1.00	43,560
3	3450 Concord Avenue Brentwood APN: 010-210-032	Nov-03	$180,000	1.00	43,560
4	136 Walnut Boulevard Brentwood APN: 003-020-044	Aug-03	$299,000	5.00	217,800
5	9625 Deer Valley Road Brentwood APN: 007-020-033	Listing	$650,000	5.00	217,800
6	3562 Sandmound Boulevard Oakley APN: 040-027-898	Listing	$215,000	1.04	45,302



CUSTOM LOT SALE NO. 1

Property Identification

Address	3400 Sandmound Boulevard, Oakley, California
Assessor's Parcel Number(s)	032-280-008

Sale Data

Grantor	Sosnowski and Associates, Inc.
Grantee	Gumaro and Gloria Gomez
Sale Date	August 17, 2004
MLS No.	30004475
Property Rights Conveyed	Fee simple
Conditions of Sale	Market
Financing Terms	All cash to the seller
Exposure Period	Five months
Sale Price	$250,000

Land Data

Land Area	3.21 acres
Zoning	Residential
Off-site Improvements	In place
Utilities	Available to the site
Topography	Generally level
Views	Local

Remarks

This comparable represents the August 2004 sale of a 3.21-acre lot located within the city of Oakley. The overall location of this parcel is considered inferior to the subjects' location.

CUSTOM LOT SALE NO. 2

Property Identification

Address	151 Hill Avenue, Oakley, California
Assessor's Parcel Number(s)	033-090-029

Sale Data

Grantor	Greg Schroeder
Grantee	Thomas and Linda Thompson
Sale Date	December 3, 2003
MLS No.	11186614
Property Rights Conveyed	Fee simple
Conditions of Sale	Market
Financing Terms	All cash to the seller
Exposure Period	Seven months
Sale Price	$160,000

Land Data

Land Area	1.00 acre
Zoning	Residential
Off-site Improvements	In place
Utilities	Available to the site
Topography	Generally level
Views	Local

Remarks

This comparable represents the December 2003 sale of a 1.00-acre lot located at 151 Hill Avenue, within the city of Oakley. The property was placed on the market in May 2003.

CUSTOM LOT SALE NO. 3

Property Identification

Address	3450 Concord Avenue, Brentwood, California
Assessor's Parcel Number(s)	010-210-032

Sale Data

Grantor	Franco Blas Trust
Grantee	Cathleen Pacheco
Sale Date	November 21, 2003
MLS No.	30000492
Property Rights Conveyed	Fee simple
Conditions of Sale	Market
Financing Terms	All cash to the seller
Exposure Period	One month
Sale Price	$180,000

Land Data

Land Area	1.00 acre
Zoning	Residential
Off-site Improvements	In place
Utilities	Available to the site
Topography	Generally level
Views	Local

Remarks

This comparable represents the November 2003 sale of a 1.00 acre parcel located at 3400 Concord Avenue, within the city of Brentwood. The property exhibits generally level topography.

CUSTOM LOT SALE NO. 4

Property Identification

Address	136 Walnut Boulevard, Brentwood, California
Assessor's Parcel Number(s)	003-020-044

Sale Data

Grantor	Davis Trust
Grantee	Charles and Linda Harrison
Sale Date	August 18, 2003
MLS No.	11194943
Property Rights Conveyed	Fee simple
Conditions of Sale	Market
Financing Terms	All cash to the seller
Exposure Period	One month
Sale Price	$299,000

Land Data

Land Area	5.00 acres
Zoning	Residential
Off-site Improvements	In place
Utilities	Available to the site
Topography	Generally level
Views	Local

Remarks

This parcel is located east of Walnut Boulevard and west of Longwell Avenue. The property was improved with a small barn at the time of sale.

CUSTOM LOT SALE NO. 5

Property Identification

Address	9625 Deer Valley Road, Brentwood, California
Assessor's Parcel Number(s)	007-020-033

Sale Data

Grantor	Fan Li
Grantee	Not applicable (listing)
Sale Date	Current listing
MLS No.	40085791
Property Rights Conveyed	Fee simple
Conditions of Sale	Market
Financing Terms	All cash to the seller
Exposure Period	Not applicable (listing)
Sale Price (Listed Price)	$650,000

Land Data

Land Area	5.00 acres
Zoning	Residential
Off-site Improvements	In place
Utilities	Available to the site
Topography	Gently rolling
Views	Local

Remarks

This property represents a current listing of five acres of a 21-acre parcel identified as 007-020-033. Under the terms of the sale, the seller will work with the buyer to subdivide and survey the property.

CUSTOM LOT SALE NO. 6

Property Identification

Address	3562 Sandmound Boulevard, Oakley, California
Assessor's Parcel Number(s)	040-027-898

Sale Data

Grantor	N/Av
Grantee	Not applicable (listing)
Sale Date	Current listing
MLS No.	40082426
Property Rights Conveyed	Fee simple
Conditions of Sale	Market
Financing Terms	All cash to the seller
Exposure Period	Not applicable (listing)
Sale Price (Listed Price)	$215,000

Land Data

Land Area	1.04 acres
Zoning	Residential
Off-site Improvements	In place
Utilities	Available to the site
Topography	Generally level
Views	Local

Remarks

This comparable represents the current listing of a 1.04-acre parcel located along the south line of Sandmound Boulevard, west of Mariner Road, within the city of Oakley. The listed price is $215,000

Conclusion of Hypothetical Market Value – 14 Individual Ownership Parcels

During our investigation, we identified several custom residential lot sales located throughout Brentwood and Oakley. In total, we have presented six comparables that were analyzed to estimate the hypothetical market value of the subject properties. As noted, the contributory value of the existing residences is not considered, since the valuation of any improvements is beyond the scope of our analysis. Further, while the subject properties require off-site improvements, the estimates of hypothetical market value assume all improvements to be financed through the Assessment District No. 2005-1 bond issuance are in place. Based on the indications of the data set, and considering the similarities and dissimilarities between the comparable sales and the subject properties, our conclusions of hypothetical market value for the 14 individual ownership parcels are detailed in the following table. As noted, APN 016-100-010 (3.65 acres) has tentative map approval to subdivide into three separate parcels. Thus, this property is valued as three 1.21± acre sites.

Owner	APN	Land Area (Acres)	Conclusion of HMV (Land Only)
William Goldsby and Mary Wheeland-Goldsby	016-080-017	1.00	$200,000
Timothy and Tina Dabill	016-080-022	2.15	$300,000
Timothy and Rosemary Biglow	016-080-026	1.95	$300,000
Barbara Biglow	016-080-027	1.34	$250,000
Ronald and Wanda Maselli	016-080-029	2.06	$300,000
Robert and Linda Mederos	016-100-010	3.65	$750,000
Stanley and Marie Kalinowski	016-100-017	1.48	$250,000
Elwood Jensen	016-100-019	1.08	$200,000
Gerald and Lucinda Galey	016-100-021	1.01	$200,000
James and Karen Troy	016-240-001	2.20	$300,000
Raymond and Hazel Gaudinier	016-240-002	2.18	$300,000
John and Cheryl Tague	016-240-003	2.18	$300,000
William and Natalie Griffin	016-250-001	2.18	$300,000
Stephen and Kathleen Barr	016-250-002	2.18	$300,000

Mobile Home Park Component (Walnut Acres)

The subjects' mobile home park component consists of one site containing 11.35 acres of land area. The property is zoned R-2 (Moderate Density Multifamily Residential) and has approvals for use as a 94-unit mobile home park (8.28 units/per acre). There are several mobile homes situated on the Walnut Acres property; however, these homes are not affixed to the site and are therefore considered personal property, not real estate. Furthermore, the valuation of any improvements is beyond the scope of our analysis. As such, in estimating the subject's hypothetical market value, we will only consider the value of the underlying land. The sales comparison and income capitalization approaches will be employed in the valuation of the subject property.

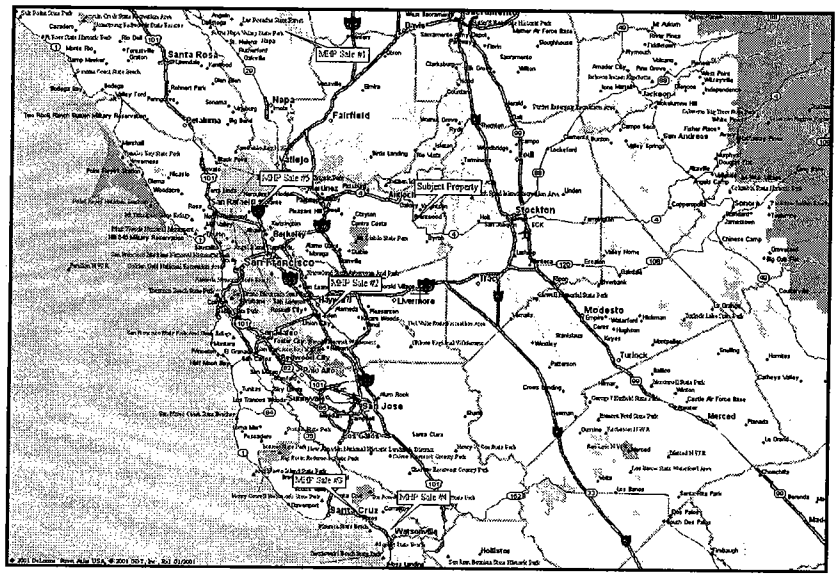
Sales Comparison Approach

In the application of the sales comparison approach, we will analyze similar properties on the basis of price per space, and give consideration to factors such as property rights conveyed, financing, conditions of sale and market appreciation or depreciation since the sale dates. Additionally, differences in physical characteristics, such as location, density, visibility/accessibility, orientation and topography/shape, will be considered in the analysis.

Our survey mobile home park transactions revealed no recent sales within the subject's immediate area. Therefore, we have expanded our search parameters and analyzed sales from the Greater Bay Area. In the analysis that follows, we will present and analyze five comparable sales. We will begin by presenting a summary tabulation on the following page, along with a location map. Detailed sales sheets and an adjustment discussion are presented after the summary table.

MOBILE HOME PARK SALES

Sale No.	Location	Sale Date	Sale Price (incl. bonds)	Parcel Area (Acre / SF)	No. of Spaces	Density (Spaces/Acre)	$ / Space	Zoning / Land Use
1	Spanish Flat Mobile Home Park 4312 Spanish Flat Loop Road Napa APN: 019-300-004	May-05	$2,700,000	5.79 252,212	49	8.46	$55,102	AW
2	Continental Mobile Home Park 28606 Huntwood Avenue Hayward APN: 465-0030-001-01	Apr-05	$12,500,000	17.04 742,262	198	11.62	$63,131	MH
3	Aptos Knoll Mobile Home Park 600 Trout Gulch Road Aptos APN: 041-571-01	Feb-05	$3,900,000	11.64 507,038	76	6.53	$51,316	MHP
4	Meadows Manor Mobile Home Park 49 Bianca Lane Watsonville APN: 019-273-01	Jan-05	$12,900,000	18.13 789,743	239	13.18	$53,975	RM-2
5	Alpine Mobile Home Park 1824 21st Street San Pablo APN: 411-080-038	May-04	$1,800,000	1.39 60,548	39	28.06	$46,154	R-3



MOBILE HOME PARK SALE NO. 1

Property Identification

Project Name	Spanish Flat Mobile Home Park
Address	4312 Spanish Flat Loop Road, Napa, California
Assessor's Parcel Number(s)	019-300-004

Sales Data

Grantor	Froom Family Partnership and Colin Weil
Grantee	Rob Wolf and assignee
Sale Date	May 9, 2005
Property Rights	Fee simple
Conditions of Sale	Market
Financing	All cash to seller
Sale Price	$2,700,000
Bond Indebtedness	$ 0
Total Consideration	$2,700,000

Land Data

Size in Acres	5.79
Size in Square Feet	252,212
No. of Spaces	49
Density	8.46 spaces/acre
Zoning	AW – Single-family
Year Established	1959

Price Indicators

Total Consideration/Space	$55,102

Remarks

Located in the city of Napa, this comparable represents the May 2005 sale of a 49-space mobile home park. The spaces are comprised of 47 double-wide spaces and two RV spaces.

MOBILE HOME PARK SALE NO. 2

Property Identification

Project Name	Continental Mobile Home Park
Address	28606 Huntwood Avenue, Hayward, California
Assessor's Parcel Number(s)	465-0030-001-01

Sales Data

Grantor	Bahla Associates, LLC
Grantee	N/Av
Sale Date	April 26, 2005
Property Rights	Fee simple
Conditions of Sale	Market
Financing	All cash to seller
Sale Price	$12,500,000
Bond Indebtedness	$ 0
Total Consideration	$12,500,000

Land Data

Size in Acres	17.04
Size in Square Feet	742,262
No. of Spaces	198
Density	11.62 units/acre
Zoning	MH – Mobile Home
Year Established	1963

Price Indicators

Total Consideration/Space	$63,131

Remarks

This comparable sale is located in the city of Hayward. The parcel sold in April 2005 for $12,500,000, or $63,131 per space. The sales price includes the cost for new electrical improvements in the amount of $550,000. It was reported the property sold within one week of exposure to the market.

MOBILE HOME PARK SALE NO. 3

Property Identification

Project Name	Aptos Knoll Mobile Home Park
Address	600 Trout Gulch Road, Aptos, California
Assessor's Parcel Number(s)	041-570-01

Sales Data

Grantor	Lee HyunTrust
Grantee	Aptos Knolls Mobilehome Owners
Sale Date	February 4, 2005
Property Rights	Fee simple
Conditions of Sale	Market
Financing	All cash to seller
Sale Price	$3,900,000
Bond Indebtedness	$ 0
Total Consideration	$3,900,000

Land Data

Size in Acres	11.64
Size in Square Feet	507,038
No. of Spaces	76
Density	6.53 units/acre
Zoning	MHP – Mobile Home Park
Year Established	1970s

Price Indicators

Total Consideration/Space	$51,316

Remarks

The Aptos Knoll Mobile Home Park sold in February 2005 for $3,900,000, or $51,316 per space. The project contains 76 spaces, all of which are double-wide spaces. According to the broker, the property was operating at 99% occupancy at the time of sale.

MOBILE HOME PARK SALE NO. 4

Property Identification

Project Name	Meadows Manor Mobile Home Park
Address	49 Bianca Lane, Watsonville, California
Assessor's Parcel Number(s)	019-273-01

Sales Data

Grantor	John and Laura Adams
Grantee	Ken Waterhouse
Sale Date	January 22, 2005
Property Rights	Fee simple
Conditions of Sale	Market
Financing	All cash to seller
Sale Price	$12,900,000
Bond Indebtedness	$ 0
Total Consideration	$12,900,000

Land Data

Size in Acres	18.13
Size in Square Feet	789,743
No. of Spaces	239
Density	13.18 units/acre
Zoning	RM-2, Multifamily residential
Year Established	1970s

Price Indicators

Total Consideration/Space	$53,975

Remarks

This comparable represents the January 2005 sale of a 239-unit mobile home park located at 49 Bianca Lane, Watsonville, California. The property has potential to develop 15 additional spaces.

MOBILE HOME PARK SALE NO. 5

Property Identification

Project Name	Alpine Mobile Home Park
Address	1824 21st Street, San Pablo, California
Assessor's Parcel Number(s)	411-080-038

Sales Data

Grantor	Maben Downing
Grantee	N/Av
Sale Date	May 15, 2004
Property Rights	Fee simple
Conditions of Sale	Market
Financing	All cash to seller
Sale Price	$1,800,000
Bond Indebtedness	$ 0
Total Consideration	$1,800,000

Land Data

Size in Acres	1.39
Size in Square Feet	60,548
No. of Spaces	39
Density	28.06 units/acre
Zoning	R-3, Multifamily residential
Year Established	1935

Price Indicators

Total Consideration/Space	$46,154

Remarks

This property was reportedly on the market for one month prior to sale. The Alpine Mobile Home Park originally opened in 1935 and is considered to be in fair to average condition.

Adjustment Discussion

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

In order to isolate and quantify the adjustments on the comparable sales data, percentage or dollar adjustments are considered appropriate. 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, as a result of the limited data present in the market, many of the adjustments require the appraiser's experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace. A detailed analysis involving each of aforementioned factors is presented 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 this factor 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 by 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 represented cash to the seller transactions and, as such, 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 Condition (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 for the comparable sales and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no time adjustment is required. An upward adjustment is required to Comparable #5 since this property transferred over 12 months ago and market conditions have since improved. No other adjustments are deemed necessary.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value are discussed on the following pages.

Location

There have been limited sales of mobile home parks in the subject's immediate area. Thus, comparables were analyzed from the Greater Bay Area. In general, with respect to the mobile home park market all of the comparables are similar in location in that they are equal distance from employment, services, etc. The comparables are deemed to have the same overall desirability to the most probable buyer or user and, therefore, do no require adjustment for location.

Density

The subject property is approved for 94 mobile home park spaces on 11.35 acres, which equates to an overall density of 8.28 units per acre. In general, projects with lower densities offer superior appeal due to additional open space associated with them. With the exception of Comparable #5, all of the comparables have a similar project density in comparison to the subject property. Comparable #5 has a higher overall density, which warrants an upward adjustment.

Visibility/Accessibility

The visibility and accessibility of a property can have a direct impact on value. For example, a property with limited access is considered to be in an inferior position compared to a property with open accessibility. Conversely, if a property has good visibility, or is situated in proximity to major linkages, this is considered to be a superior site amenity in comparison to a property with limited visibility. The visibility and accessibility of the comparable sales are considered similar in comparison to the subject property; therefore, adjustments are not required for this factor.

Utility/Topography

Differences in contour, drainage or soil conditions can affect the utility and, therefore, the market value of the property. All of the comparable properties offer terrain with similar utility. As such, no adjustments are necessary when comparing these sales with the subject.

Offsite Improvements

Under the hypothetical condition for which the subject property is being valued, all offsite improvements are assumed to be in place. Similarly, each of the comparable sales possesses offsite improvements and, therefore, no adjustments are necessary.

Conclusion – Sales Comparison Approach

During our investigation, we identified several mobile home park sales located throughout the Greater Bay Area. In total, we have presented five comparables that were analyzed to estimate the hypothetical market value for the subjects' mobile home park property. As noted, the mobile homes are considered personal property and the valuation of any improvements is beyond the scope of our analysis. Based on the indications of the data set, and considering the similarities and dissimilarities between the comparable sales and the subject property, as well as the required adjustments previously discussed, our conclusion of hypothetical market value for the mobile home park component of the subject properties is $55,000 per space. Applying this unit indicator yields a hypothetical market value conclusion of **$5,170,000** ($55,000 per space x 94 spaces).

Income Capitalization Approach

For income-producing real estate, the future earning power of the property is widely regarded as the single most critical element affecting its value. Hence, the income capitalization approach is often deemed the most meaningful indication of value.

We will exclusively apply the direct capitalization method of the income capitalization approach. Direct capitalization converts an estimate of a single year's net operating income into an indication of value in one direct step. This step is accomplished either by dividing the income estimate by the relevant income rate (an overall capitalization rate), or by multiplying the income estimate by a proper factor (such as a gross, effective gross or net income multiplier). In the subject's market area, buyers and sellers of properties like the subject typically handle direct capitalization by using an overall rate as opposed to a multiplier. Therefore, this method of direct capitalization will be employed in this analysis.

The components of the direct capitalization method are tabulated as follows:

- Potential Gross Income
- Vacancy and Collection Loss
- Operating Expenses
- Overall Capitalization Rate

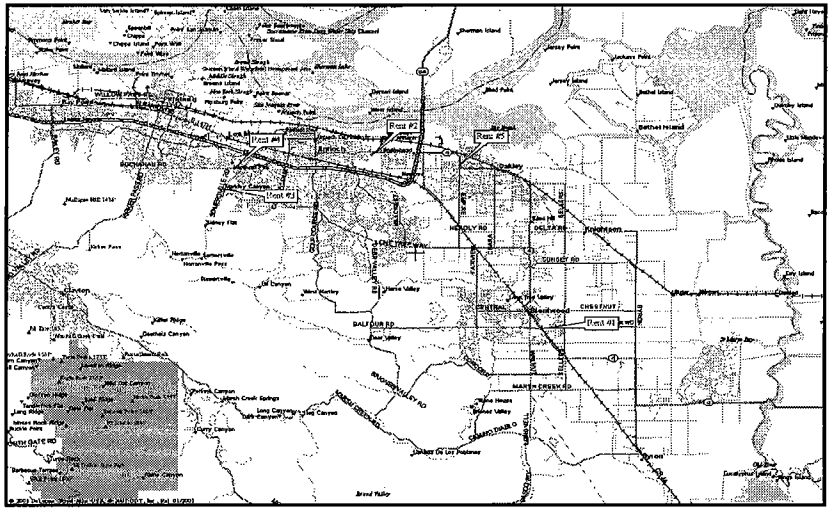
These four components are discussed on the following pages and will be combined at the end of this section to provide a hypothetical market value estimate of the subject property.

Potential Gross Income

The subject property represents a 94-unit mobile home park located north of Balfour Road and east of Walnut Boulevard, within the southeastern portion of Brentwood. There are several mobile homes currently situated on the property; however, these homes considered personal property, not real estate. Common area amenities include a clubhouse, swimming pool, billiards room and laundry

facility. At the time of inspection, the subject was operating at 100% occupancy, and the owner has received significant interest for any spaces that become available. The potential gross income for the subject property is derived by applying market rent, which is based on our analysis of rent comparables in the subject's market area and surrounding areas. A tabulation of rent comparables is located in the table below. The information contained in the rental survey was obtained from on-site managers, brokers and/or property owners of the respective projects.

Rent No.	Name/Address	No. of Spaces	Space Types	Vacancy	Rent/Space/ Month ($)	Landlord Paid Expenses	Age	Condition	Amenities
1	**Woodgate Mobile Home Park** 4603 Balfour Road Brentwood	108	Single-wide Double-wide	0%	$535	Water	N/Av	Average	Clubhouse, pool, shuffleboard, laundry
2	**Delta Villa Mobile Home Park** 1900 Strasbourg Lane Antioch	107	Double-wide Triple-wide	0%	$560	Sewer	20 yrs.	Average	Clubhouse, pool, spa sauna, gated
3	**Vista Diablo Mobile Home Park** 2901 Somersville Road Antioch	150	Double-wide Triple-wide	0%	$975	None	30 yrs.	Good	Clubhouse, pool, spa billiards, exercise room, laundry, gated
4	**Chateau Park** 3301 Buchanon Road Antioch	122	Single-wide Double-wide	0%	$600	None	37 yrs.	Average	Clubhouse, pool, laundry billiards
5	**Eagle City Mobile Estates** 2333 Main Street Oakley	143	Single-wide Double-wide	0%	$390	Sewer, Water Trash	55 yrs.	Fair	Clubhouse, pool, car wash area, laundry



Market Rent

In order to estimate the appropriate market rent for the subject property, a survey of five mobile home parks throughout Brentwood, Antioch and Oakley was conducted. The rent comparables are summarized in the table on the preceding page. All rental data is analyzed on a rent per space basis, which is typical of how the market quotes rent for this property type. It is noted that demand for mobile home spaces is strong in the subject's submarket, as none of the comparables analyzed had vacancies. With respect to utilities, electricity and natural gas are individually metered and paid directly by the lessees.

Factors considered when adjusting the comparables include location, visibility/accessibility, overall quality, effective age/condition, and amenities. The rent comparables required few adjustments in order to equate them with the subject. For the comparables with utilities (water, sewer, trash) paid by the owner, downward adjustments are appropriate to establish the base rent, net of these expenses. The quality/condition of Comparable #5 is deemed inferior to the subject property, warranting an upward adjustment. Conversely, the quality/condition of Comparable #3 is superior to the subject, and this comparable receives a downward adjustment. Furthermore, Comparable #3 has more common area amenities relative to the subject property and requires an additional downward adjustment for this factor. The rent comparables analyzed are considered reasonably similar to the subject in terms of location and physical characteristics. After the necessary adjustments were made, market rent is estimated at $500/space/month for the subject property.

Miscellaneous Income

This category includes primarily late fees, laundry income, and other miscellaneous income sources associated with operating a mobile home park. Based on the historical experience of the subject property, this category of revenue is estimated at $100 per month, resulting in a total of $1,200 per year for miscellaneous income.

Utilities Reimbursements

The subject's residents are responsible for their share of water, sewer and trash expenses and reimburse the property owner on a monthly basis. This reimbursement is included in the calculation of potential gross income.

Total Potential Gross Income

The potential gross income for the subject property is based on market rent, miscellaneous income, and tenant reimbursements. This income is calculated in the *Income Capitalization Approach* summary sheet at the end of this section.

Vacancy and Collection Loss

This analysis considers the valuation of the subject property at stabilized occupancy, which is defined as follows:

> Occupancy at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; the optimum range of long-term occupancy that an income-producing real estate project is expected to achieve under competent management after exposure for leasing in the open market for a reasonable period of time at terms and conditions comparable to competitive offerings. [15]

In keeping with the concept of stabilized occupancy, an allowance for vacancy and collection loss must be considered for reductions in potential income attributable to vacancies, tenant turnover and nonpayment of rent. The subject property is currently 100% occupied and has been at or near this occupancy level for the past several years. The comparables utilized in our analysis indicate no vacancy, indicating a strong demand mobile home spaces throughout the general area. Historically, once a mobile home park is fully occupied, it stays fully occupied. This is due to the high cost of moving a home, the stability of the resident base, and the investment residents sometimes spend on landscaping and improvements on their individual spaces. When residents do leave the park, their mobile homes are usually sold "in place", with no lost rent accruing to the park owner. After taking into account all market factors, a stabilized vacancy rate for the subject property of 3% is considered reasonable.

Operating Expenses

A summary of historical operating expenses for the subject property was not provided for use in our analysis. Therefore, in estimating the subject's expenses, we have considered historical operating expenses for comparable properties in the region. As noted, electricity and gas are individually metered and paid directly by the lessees. Therefore, these expenses are not included in the pro forma income statement. The operating expense items are detailed as follows:

Property Taxes and Special Assessments

We have estimated property taxes by applying the current tax rate to our appraised value conclusion via the income capitalization approach, in addition to any special assessments. The total tax amount assumes a sale at the appraised market value.

[15] The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002), 274.

Property Insurance

This amount is based upon a rate of $150/space per year. A review of historical expenses for comparable properties indicated a range of property insurance from $27 to $248/space per year.

Water/Sewer/Trash

This item is based upon $500/space per year and includes the water, sewer and trash removal expenses for the entire park, including the common areas.

Maintenance and Repairs

This expense is based upon a rate of $400/space per year and includes the landscaping and general maintenance and repairs in the park. The expenses reported for comparable projects have been inconsistent, ranging from $142 to $789/space per year.

Off-Site Management

This expense item is calculated at 5% of the effective gross income. Mobile home parks are generally managed for fees ranging from 3% to 5% of the effective gross income. It is typical for mobile home parks to be managed by a separate professional management company.

On-Site Management

This item is based upon a rate of $400/space per year and includes a salary for the resident managers and maintenance workers. The total also includes payroll taxes, worker's compensation, insurance, and other indirect employment costs.

Reserves

A reserve allowance should be included in the expense budget. The reserve account can be used to pay for the eventual replacement of short-lived items, such as concrete and asphalt paving, mechanical systems, etc. These items generally have a lesser economic life than the improvements, and are not subject to recovery under a typical repair and maintenance budget. Reserves can also be used to pay for leasing costs associated with future tenant turnover. A reserve allowance of 1% of effective gross income is considered reasonable given the attributes of the subject property.

Overall Capitalization Rate

To estimate the hypothetical market value for the subject property via the direct capitalization method of the income capitalization approach, an overall rate must be derived. The overall capitalization rate is the ratio between the net operating income as of the date of value and a property's cash equivalent sales price.

The capitalization rate to be applied to the subject's net operating income can be based on an analysis and interpretation of market transactions. Overall capitalization rates can reasonably be viewed as a function of risk. For instance the riskier the investment, the higher the overall capitalization rate. In determining a capitalization rate, consideration is given to the subject's location, visibility/accessibility, condition, effective age, quality, and overall amenities. The subject property is deemed to be reasonably similar to the comparables in most elements of comparison.

The following table details several sales mobile home parks located throughout the Greater Bay Area. Our survey mobile home park transactions revealed no recent sales within the subject's immediate area.

Sale No.	Location	Sale Date	Sale Price (incl. bonds)	NOI	Cap Rate
1	Spanish Flat Mobile Home Park 4312 Spanish Flat Loop Road Napa APN: 019-300-004	May-05	$2,700,000	$144,316	5.35%
2	Continental Mobile Home Park 28606 Huntwood Avenue Hayward APN: 465-0030-001-01	Apr-05	$12,500,000	$635,425	5.08%
3	Aptos Knoll Mobile Home Park 600 Trout Gulch Road Aptos APN: 041-571-01	Feb-05	$3,900,000	$229,930	5.90%
4	Meadows Manor Mobile Home Park 49 Bianca Lane Watsonville APN: 019-273-01	Jan-05	$12,900,000	$770,702	5.97%
5	Alpine Mobile Home Park 1824 21st Street San Pablo APN: 411-080-038	May-04	$1,800,000	$129,317	7.18%

The market data indicates a range of capitalization rates from 5.08% to 7.18%. Based on the specifics of the subject property, a capitalization rate of 6.50% is concluded via analysis of comparable sales.

Conclusion – Income Capitalization Approach

Applying the components discussed on the preceding pages (potential gross income, vacancy,

operating expenses and overall capitalization rate), the hypothetical market value conclusion via the income capitalization approach is offered below.

POTENTIAL GROSS INCOME CALCULATION

Income		No. of Units	Rent Unit/Mo.	Monthly Income	Annual Income
Market Rent		94	$500	$47,000	$564,000
Miscellaneous Income				$100	$1,200
Utilities Reimbursement					$47,000
Total Potential Gross Income					$612,200
VACANCY & COLLECTION LOSS	@	3%			($18,366)
EFFECTIVE GROSS INCOME					$593,834
EXPENSES		**$/Unit/Year**	**$/Year**	**% of EGI**	
Property Taxes and Assessments		$617	$56,300	9.5%	
Building Insurance		$150	$14,100	2.4%	
Water/Sewer/Trash		$500	$47,000	7.9%	
Maintenance and Repairs		$400	$37,600	6.3%	
Off-Site Management		$316	$29,692	5.0%	
On-Site Management		$400	$37,600	6.3%	
Reserves for Replacement		$63	$5,938	1.0%	
Total Expenses		$2,445.92	$228,230	38.4%	($228,230)
NET OPERATING INCOME					**$365,604**

DIRECT CAPITALIZATION VALUE CONCLUSION

N.O.I	divided by	Capitalization Rate	=	Value
$365,604	÷	6.50%		$5,624,676

CONCLUSION OF VALUE BY DIRECT CAPITALIZATION Rd. **$5,620,000**

Reconciliation and Conclusion – Mobile Home Park Component

To restate, the hypothetical market value conclusions indicated by the sales comparison and income capitalization approaches to value are:

Sales Comparison Approach	**$5,170,000**
Income Capitalization Approach	**$5,620,000**

In reconciling these approaches to value, consideration is given to the individual strengths and weaknesses of each approach.

In the application of the sales comparison approach, we analyzed five sales of mobile home parks in the Greater Bay Area. Our search revealed no recent sales in the subject's immediate area. All of the comparable sales occurred in the last 18 months, and the adjustments narrowed the range of data. Overall, the data obtained for this analysis was reasonably similar to the subject; however, due to the location of the comparables, the sales comparison approach is ultimately deemed a supporting indicator of value.

We began the income capitalization approach by estimating the potential gross income for the subject property, which consists of market rent, miscellaneous income, and utilities reimbursements. Then, with consideration given to a stabilized vacancy factor and reasonable operating expenses, a pro-forma net operating income for the subject was calculated. At this point, the method chosen to estimate the value of the subject property was direct capitalization. An appropriate capitalization rate was selected based on the indication of comparable sales. Buyers of income-producing real estate rely primarily upon the income capitalization approach when assessing the feasibility of an investment. Therefore, this analysis is typically relied upon most heavily to value income properties. This approach is considered relevant to the valuation of the subject as an income-producing property.

Considering the preceding discussion and analysis, and with greater emphasis given to the income capitalization approach, a hypothetical market value of **$5,620,000** is concluded for the mobile home park component.

FINAL CONCLUSION OF HYPOTHETICAL MARKET VALUE

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. 2005-1 bond issuance. The hypothetical market value estimates 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 June 3, 2005, are...

Owner/Developer	Tract/APN	Hypothetical Market Value
Pinn Brothers	SUBD 8729 (Small Lots)	$14,060,000
	SUBD 8729 (Medium Lots)	$30,490,000
	SUBD 8729 (Large Lots)	$13,510,000
Western Pacific Housing	SUBD 8854	$19,500,000
Meritage Homes	SUBD 8875	$10,800,000
The Mark Pringle Co.	SUBD 8763	$1,880,000
Trilogy Vineyards, LLC	SUBD 8796 (Executive Lots)	$23,460,000
	SUBD 8796 (Winery Lots)	$690,000
	SUBD 8796 (Active Adult Lots)	$126,640,000
	SUBD 8796 (Active Adult Duet Lots)	$7,910,000
Walnut Acres	APN: 012-170-005	$5,620,000
William Goldsby and Mary Wheeland-Goldsby	APN: 016-080-017	$200,000
Timothy and Tina Dabill	APN: 016-080-022	$300,000
Timothy and Rosemary Biglow	APN: 016-080-026	$300,000
Barbara Biglow	APN: 016-080-027	$250,000
Ronald and Wanda Maselli	APN: 016-080-029	$300,000
Robert and Linda Mederos	APN: 016-100-010	$750,000
Stanley and Marie Kalinowski	APN: 016-100-017	$250,000
Elwood Jensen	APN: 016-100-019	$200,000
Gerald and Lucinda Galey	APN: 016-100-021	$200,000
James and Karen Troy	APN: 016-240-001	$300,000
Raymond and Hazel Gaudinier	APN: 016-240-002	$300,000
John and Cheryl Tague	APN: 016-240-003	$300,000
William and Natalie Griffin	APN: 016-250-001	$300,000
Stephen and Kathleen Barr	APN: 016-250-002	$300,000
Aggregate of Hypothetical Market Values		**$258,810,000**

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. A transfer of residential properties in the region typically occurs within 6 to 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 8729

According to public records, the various parcels comprising the Subdivision 8729 transferred from D and B Farms, grantor, to PBP (Pinn Brothers), grantee, for $9,797,000 in March 2005. This was an arm's length transaction with no unusual contingencies. However, in light of the fact that the purchase contract was negotiated in November 2001, the sale price is not deemed indicative of current market value.

Subdivision 8854

A representative of Western Pacific Housing (D.R. Horton) indicated that Subdivision 8854 recently transferred from the Castello family to Western Pacific Housing. Details relating to this transaction were not disclosed to the appraiser. Upon review of public records, the sales price was not reported.

Subdivisions 8875

According to public records, the appraised property has not been involved in an arm's length transaction within the previous three years. Furthermore, to the best of our knowledge, it is not currently being marketed for sale.

Subdivision 8763

In November 2002, Subdivision 8763 was placed under contract to be purchased by Ashford Park II Investors (The Mark Pringle Company, LLC). The negotiated sale price was $450,000, which is not considered representative of current market value since market conditions have steadily improved since the contract was drafted. Escrow closed on June 14, 2005 and was contingent on the recordation of final map.

Subdivision 8796

APNs 007-380-001 and –016 transferred from the S.H. Cowell Foundation to Trilogy Vineyards, LLC in May 2005; however, the specifics relating to the transaction were not disclosed to the appraiser. Upon review of public records, the sales price was not reported.

Walnut Acres Mobile Home Park

According to public records, the appraised property has not been involved in an arm's length transaction within the previous three years. Furthermore, to the best of our knowledge, it is not currently being marketed for sale.

14 Individual Ownership Parcels

Timothy of Tina Dabill purchased the property located at 540 Sand Creek Road from the Roy Gordon trust for $475,000 in August 2003. APN 016-100-010 (601 Gracie Lane) transferred from Donna Rice Trust to Robert and Linda Mederos for $820,000 in October 2003. 541 Sand Creek Road was purchased by James and Karen Troy in May 2002 for $485,000. These were arm's length, cash equivalent transactions with no unusual contingencies. The balance of the 14 individual ownership parcels have not transferred within the previous three years.

APPENDIX B

ENGINEER'S REPORT

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FINAL
ENGINEER'S REPORT

ASSESSMENT DISTRICT NO. 2005-1

CITY OF BRENTWOOD
CONTRA COSTA COUNTY, CALIFORNIA

July 12, 2005

ENGINEER'S REPORT

ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

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

DATED: _____, 2005.

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 _____, 2005.

CYNTHIA GARCIA, Interim City Clerk
City of Brentwood,
Contra Costa County,
California

By _____
Cynthia Garcia

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 _____, 2005.

CYNTHIA GARCIA, Interim City Clerk
City of Brentwood,
Contra Costa County,
California

By _____
Cynthia Garcia

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 _____, 2005.

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

By _____
Balwinder Grewal, PE City Engineer

ENGINEER'S REPORT

ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

CITY OF BRENTWOOD, as Engineer of Work for Assessment District No. 2005-1, 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 include 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. 2005-1
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. Fairview Avenue (D.R. Horton America's Builder, also abbreviated in this report as "D.R. Horton". D.R. Horton owns the property as "Western Pacific Housing, Inc.")

The D.R. Horton Fairview Avenue improvement includes reconstruction and widening of Fairview Avenue along and north of D.R. Horton "Castello Property" Residential Project (TSM 8854). Approximately 1,000 LF of the improvement is off-site (Northerly Project Boundary to Central Avenue) and approximately 1,500 LF of the improvement is on-site (Project Boundary). Improvements include:

* Approximately 1,000 LF of roadway widening including pavement overlay of existing roadway, utility undergrounding, landscaping and related improvements north of the Project boundary; and

* Approximately 1,500 LF of road widening and pavement overlay of existing street, construction of drainage and water facilities, utility undergrounding, landscaping, intersection signal modifications at Balfour Road, and related improvements along the project's Fairview Avenue frontage (Balfour Road to northern Project Boundary).

1B. Fairview Avenue (Shea Homes for Active Adults, also referred to in this report as "Trilogy Vineyards LLC", and "Vineyards at Marsh Creek"):

The Trilogy Vineyards LLC Fairview Avenue improvement includes new road construction of Fairview Avenue within and adjacent to Trilogy Vineyards LLC "Vineyards at Marsh Creek" Residential and Commercial Project (TSM 8796). Approximately 670 LF of the improvement is off-site (Northerly Project Boundary to Concord Avenue Realigned) and approximately 7,520 LF of the improvement is on-site. Improvements include:

* Approximately 670 LF of new pavement, pavement overlay and new road construction, drainage, sanitary sewer, water, electrical, landscape, traffic control, gasline relocations, erosion control and related improvements north of the Project (Easterly return of Concord Avenue Realigned to the easterly return of John Muir Parkway);

* Approximately 3,700 LF (140' ROW) of new road construction, drainage, sanitary sewer, water, electrical, landscape, project entry monumentation, and related improvements in-tract (Easterly Return of John Muir Parkway to the southerly return of the Recreation Center Entrance); and

* Approximately 3,820 LF (140' ROW) of new road construction, drainage, sanitary sewer, water , electrical , landscape, project entry monumentation, bridge over Marsh Creek, traffic control, and related improvements in-tract (southerly return of the Recreation Center Entrance to the Marsh Creek Road Intersection).

EXHIBIT A
DESCRIPTION OF IMPROVEMENTS

2. John Muir Parkway

The Trilogy Vineyards LLC John Muir Parkway improvement includes an interim connection to Concord Avenue and new road construction of John Muir Parkway along Trilogy Vineyards LLC "Vineyards at Marsh Creek " Residential and Commercial Project (TSM 8796) boundary. The approximately 2,465 LF improvement is adjacent to the Project Boundary (From the Interim Connection to Concord Avenue to the Northerly Return of Fairview Avenue). The Improvement includes:

* Approximately 2,465 LF (96' ROW) of new road construction, drainage, water, electrical, landscape, erosion control, and related improvements along the Project's boundary.

3. Concord Avenue and Concord Avenue Realignment

The Trilogy Vineyards LLC Concord Avenue and Concord Avenue Realignment improvement includes reconstruction, widening, and new road construction of Concord Avenue north and along Trilogy Vineyards LLC "Vineyards at Marsh Creek" Residential and Commercial Project (TSM 8796) boundary. Approximately 1,760 LF of the improvement is north of the Project (From Fairview Avenue to existing Concord Avenue), approximately 1,000 LF of the improvement is along the Project Boundary (From Concord Avenue Realigned to the existing Marsh Creek Bridge on Concord Avenue), and approximately 800 LF of temporary roadway construction is north of the Project (from Fairview Avenue west to Existing Concord Avenue). Improvements include:

* Approximately 1,760 LF (60' ROW) of new road construction, drainage, gasline capping, storm drain gasline crossings, fencing, erosion control, and related improvements north of the Project;

* Approximately 1,000 LF (60' ROW) of new pavement and pavement overlay, electrical, landscape, erosion control, and related improvements along the project's frontage; and

* Approximately 800 LF of temporary roadway construction, pole line relocation, erosion control, removal of temporary facilities, and related improvements north of the Project.

4. Water Facilities

The Trilogy Vineyards LLC Water Facilities improvement includes capital facilities and the extension of t trunkline system that serves both Zone II and Zone III City Water Zones. The improvements include:

* Connections to the existing system, grading, roadway, drainage, and sanitary sewer improvements for temporary and permanent access roads;

* Construction of waterline improvements and appurtenances including 2,400 LF of Zone II Water Main and 1,750 LF of Zone III Water Main;

* Construction of a 4.0 MG Zone II Reservoir and associated infrastructure;

* Construction of a Zone III Hydropneumatic Pump Station and associated infrastructure; and

* Construction of a Zone II Booster Pump Station and associated infrastructure.

EXHIBIT A
DESCRIPTION OF IMPROVEMENTS

5. Wastewater Facilities

The Trilogy Vineyards LLC Wastewater Facilities improvement includes extension of the the trunkline system that will serve the "Vineyards at Marsh Creek" Residential and Commercial Project (TSM 8796). The Sewer will be constructed in two phases. The improvements include:

* Connections to the existing system, grading, construction of sanitary sewer pipeline improvements and appurtenances (approximately 3,000 LF of deep sewer, approximately 431 LF of steel-sleeved sewer), steel sleeving, cathotic protection, gas pipeline crossings, bore and jack sections and associated infrastructure.

6. Sand Creek Road (The Mark Pringle Company, also abbreviated in this report as "Pringle")

The Mark Pringle Company Sand Creek Road improvement includes landscape and irrigation improvements to the north parkway, the south parkway and median island, and related improvements, from Fairview Avenue east to the Pedestrian Undercrossing of Sand Creek Road. This improvement is off-site the Pringle "Ashford Park II" Residential Project (TSM 8763).

7. O'Hara Avenue (Meritage Homes of Northern California, also abbreviated in this report as "Meritage Homes")

The Meritage Homes O'Hara Avenue improvement includes new road construction of O'Hara Avenue along and south of Meritage Homes "Preserve III" Residential Project (TSM 8875). Approximately 150 LF of the improvement is off-site (southerly project boundary to Grant Street) and approximately 1,350 LF of the improvement in on-site (Project Boundary). Improvements include:

* approximately 150 LF(76' ROW) of new roadway construction, water, electrical improvements, a bridge over Flood Control's DA30C Line A channel, a protective concrete slab over the EBMUD Aqueduct, a modification to Flood Control's access road, landscaping and related improvements (southerly Project Boundary to north returns of Grant Street); and

* approximately 1,350 LF (100' ROW) of new roadway construction, drainage, sanitary sewer, water, electrical, landscape, and related improvements (Project Frontage).

8. Central Boulevard (Pinn Brothers Construction Incorporated, also abbreviated in this report as "Pinn Brothers")

The Pinn Brothers Central Boulevard road improvement includes reconstruction and widening of Central Boulevard from Griffith Lane to Dainty Avenue. The improvement is west of Pinn Brothers "Marseilles" Residential Project (TSM 8729). Improvements include:

* Approximately 1,800 LF of road and intersection reconstruction and widening, construction of a new bridge over Marsh Creek, street lights, landscaping, traffic signals, utilities and related improvements.

EXHIBIT A
DESCRIPTION OF IMPROVEMENTS

9. Walnut Boulevard

This item represents the Walnut Acres Mobile Home Park financial responsibility for frontage improvements, and it's contribution to the City's Walnut Boulevard widening project.

10. Subtotal Improvements
Items 1 through 9

11. Prepaid Roadway Fees:

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

a)	$	660,000	Pinn Brothers "Marseilles" Small Lots (Less than 3,000 SF) of TSM 8729.
b)	$	840,000	Pinn Brothers "Marseilles" Medium Lots (3,000-5,999 SF) of TSM 8729.
c)	$	312,000	Pinn Brothers "Marseilles" Large Lots (6,000 + SF) of TSM 8729.

12. Prepaid Water Facilities Fees:

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

a)	$	660,000	Pinn Brothers "Marseilles" Small Lots (Less than 3,000 SFF) of TSM 8729.
b)	$	840,000	Pinn Brothers "Marseilles" Medium Lots (3,000-5,999 SF) of TSM 8729.
c)	$	312,000	Pinn Brothers "Marseilles" Large Lots (6,000 + SF) of TSM 8729.
d)	$	459,175	D.R. Horton "Castello Property" TSM 8854.
e)	$	92,400	Meritage Homes "Preserve III" TSM 8875.
f)	$	46,768	Pringle "Ashford Park II" FM 8763.
g)	$	4,252	Goldsby, APN 016-080-017
h)	$	4,252	Dabill, APN 016-080-022
I)	$	4,252	T. Biglow, APN 016-080-026
j)	$	4,252	B. Biglow, APN 016-080-027
k)	$	4,252	Maselli, APN 016-080-029
l)	$	12,756	Mederos MS 350-05, APN 016-100-010
m)	$	4,252	Kalinowski, APN 016-100-017
n)	$	4,252	Jensen, APN 016-100-019
o)	$	4,252	Galey, APN 016-100-021
p)	$	4,252	Troy, APN 016-240-001
q)	$	4,252	Gaudinier, APN 016-240-002
r)	$	4,252	Tague, APN 016-240-003
s)	$	4,252	Griffin, APN 016-250-001
t)	$	4,252	Barr, APN 016-250-002

13. Prepaid Wastewater Facilities Fees:

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

a)	$	495,000	Pinn Brothers "Marseilles" Small Lots (Less than 3,000 SFF) of TSM 8729.
b)	$	630,000	Pinn Brothers "Marseilles" Medium Lots (3,000-5,999 SF) of TSM 8729.
c)	$	234,000	Pinn Brothers "Marseilles" Large Lots (6,000 + SF) of TSM 8729.
d)	$	393,149	D.R. Horton "Castello Property" TSM 8854.
e)	$	294,000	Meritage Homes "Preserve III" TSM 8875.
f)	$	40,043	Pringle "Ashford Park II" FM 8763.
g)	$	3,640	Goldsby, APN 016-080-017
h)	$	3,640	Dabill, APN 016-080-022
I)	$	3,640	T. Biglow, APN 016-080-026
j)	$	3,640	B. Biglow, APN 016-080-027
k)	$	3,640	Maselli, APN 016-080-029
l)	$	10,920	Mederos MS 350-05, APN 016-100-010
m)	$	3,640	Kalinowski, APN 016-100-017
n)	$	3,640	Jensen, APN 016-100-019
o)	$	3,640	Galey, APN 016-100-021
p)	$	3,640	Troy, APN 016-240-001
q)	$	3,640	Gaudinier, APN 016-240-002
r)	$	3,640	Tague, APN 016-240-003
s)	$	3,640	Griffin, APN 016-250-001
t)	$	3,640	Barr, APN 016-250-002

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) $ 77,747 for Pringle "Ashford Park II" FM 8763.

15. Prepaid Infrastructure Fees:

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

a) $ 1,620,000 for Trilogy Vineyards LLC "Vineyards at Marsh Creek" TSM 8796.

16. Subtotal Cost:
Items 11 through 15.

17. Total Cost
Items 10 and 16.

EXHIBIT A
DESCRIPTION OF IMPROVEMENTS

Possible Additional Items of Work include:

- Fairview Avenue (Baldwin Drive to Realigned Concord Avenue)
- The Fairview Avenue/Marsh Creek Road Intersection
- O'Hara Avenue (North of TSM 8875 to Lone Tree Way, 1,250 LF)
- Central Boulevard (From Griffith Lane east to the Union Pacific Railroad tracks)
- Balfour Road (From Fairview Avenue to ECCID)
- Walnut Boulevard (From Central Boulevard south to Dainty Avenue)
- Griffith Lane (From Griffith Lane North Terminous south to Heather Place)
- Additional Prepaid Infrastructure Fees

EXHIBIT B
ASSESSMENT DISTRICT NO. 2005-1
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. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
1A. FAIRVIEW AVENUE (D.R. HORTON IMPROVEMENT)

Item	Description	Quantity	Unit	Unit Price	Amount
	FAIRVIEW AVENUE				
	1,000 LF Off-Site (North Project Boundary to Central Boulevard)				
	(Road Widening ends approximately 300' south of Central. Sidewalk and Landscaping continue to Central)				
	STREET IMPROVEMENTS				
1	Sawcut Existing AC Pavement	720	LF	$ 2.00	$ 1,440.00
2	AC Berm Removal	720	SF	$ 4.50	$ 3,240.00
3	Grading *(Street Section)*	725	SF	$ 10.00	$ 7,250.00
4	Fine Grading *(Street Section + Face of Curb to 15' East)*	19,700	SF	$ 0.35	$ 6,895.00
5	5" Asphalt Concrete	7,655	LF	$ 1.75	$ 13,396.25
6	22" Aggregate Base	8,715	LF	$ 2.64	$ 23,007.60
7	2" AC Overlay	13,300	SF	$ 1.00	$ 13,300.00
8	Fog Seal	7,655	SF	$ 0.03	$ 229.65
9	Subgrade Fabric	8,715	SF	$ 0.20	$ 1,743.00
10	Type 'A' Curb & Gutter with Cushion & Subdrain	720	LF	$ 15.00	$ 10,800.00
11	5' Sidewalk	5,000	SF	$ 3.50	$ 17,500.00
12	Street Signs	1	EA	$ 250.00	$ 250.00
13	Traffic Signs	1	EA	$ 250.00	$ 250.00
14	Striping Budget	1	LS	$ 5,000.00	$ 5,000.00
15	Driveway Approach	80	SF	$ 4.00	$ 320.00
	Subtotal				$ 104,621.50
	ELECTRICAL				
16	Street Lights *(Cobra; approx. 1 every 180')*	6	EA	$ 2,500.00	$ 15,000.00
17	Interconnect	1,000	LF	$ 15.00	$ 15,000.00
18	Underground Existing Overhead Electric	1,000	LF	$ 275.00	$ 275,000.00
19	Set new riser pole to maintain service to exisitng residences	2	EA	$ 7,500.00	$ 15,000.00
	Subtotal				$ 320,000.00
	MISCELLANEOUS				
20	Parkway Landscaping & Irrigation (5' x 1,000') *From curb to front of sidewalk only*	5,000	SF	$ 5.00	$ 25,000.00
21	Miscellaneous Improvements to Neighbors Property[4]	1	LS	$ 25,000.00	$ 25,000.00
	Subtotal				$ 50,000.00
	SUBTOTAL CONSTRUCTION COST FAIRVIEW AVE - OFF-SITE[5]				**$ 474,621.50**

1. *The construction of the left turn pockets in Fairview Avenue is in a high traffic area. We anticipate the costs of these improvements to be greater than average. We have increased the costs by approximately 50%.*
2. *The Fire District has requested additional Fire Hydrants on Balfour Road and Fairview Ave on the commercial project's plan check provided to CBG on 4/26/05 by AMS Associates. We anticipate the cost of these hydrants to be more than a typical hydrant since it requires a tap into the existing 24" water in Fairview Avenue located approximately 13 feet from the existing edge of pavement in the existing roadway.*
3. *This cost is an estimate from CBG. Traffic Signal Modification plans were not available as of the date of this estimate*
4. *This is a budget item. CBG has no knowledge of any agreements or discussions that have been made between the developer and the existing property owners to the north of the project site.*
5. *This estimate does not include offsite land acquisition for the completion of Fairview Avenue.*

EXHIBIT C
1A. FAIRVIEW AVENUE (D.R. HORTON IMPROVEMENT)

Item	Description	Quantity	Unit	Unit Price	Amount
	1,500 LF Project Frontage (Balfour Road to North Project Boundary)				
	- 600 LF Commercial Frontage (not including sidewalk and landscaping & irrigation for parkway)				
	- 900 LF Residential Frontage				
	STREET IMPROVEMENTS				
1	AC Berm Removal	1,575	LF	$ 3.00	$ 4,725.00
2	Sawcut Existing AC Pavement	1,500	LF	$ 2.00	$ 3,000.00
3	Fine Grading *(Street Section)*	23,000	SF	$	$ 8,050.00
4	Fine Grading *(Residential Fronage Face of Curb to Right of Way)*	30,000	SF	$ 0.35	$ 10,500.00
5	5" Asphalt Concrete	22,450	SF	$ 1.75	$ 39,287.50
6	22" Aggregate Base	24,700	SF	$ 2.64	$ 65,208.00
7	2" AC Overlay	30,500	SF	$ 1.00	$ 30,500.00
8	Fog Seal	22,450	SF	$ 0.03	$ 673.50
9	Subgrade Fabric	24,700	SF	$ 0.20	$ 4,940.00
10	Type 'A' Curb & Gutter with Cushion & Subdrain	1,560	LF	$ 15.00	$ 23,400.00
11	Handicap Ramps	3	EA	$ 1,000.00	$ 3,000.00
12	5' Sidewalk (residential frontage only) *	5,685	SF	$ 3.50	$ 19,897.50
	** includes concrete for handipca ramps at Fairview Ave.*				
13	Street Signs	3	EA	$ 250.00	$ 750.00
14	Traffic Signs	5	EA	$ 250.00	$ 1,250.00
15	Survey Monuments	1	EA	$ 300.00	$ 300.00
16	Striping Budget	1	LS	$ 10,000.00	$ 10,000.00
17	Driveway Approach - Commercial Entrances	400	SF	$ 4.00	$ 1,600.00
	Construction of Left Turn Pockets[1]				
18	Sawcut Existing AC Pavement	885	LF	$ 3.00	$ 2,655.00
19	Median Curb Removal	980	LF	$ 7.50	$ 7,350.00
20	Grading	1,000	CY	$ 10.00	$ 10,000.00
21	Fine Grading	11,000	SF	$ 0.55	$ 6,050.00
22	Median Curb	1,175	LF	$ 22.50	$ 26,437.50
23	5" Asphalt Concrete	9,500	SF	$ 2.63	$ 24,985.00
24	22" Aggregate Base	11,000	SF	$ 3.96	$ 43,560.00
25	Fog Seal	9,500	SF	$ 0.05	$ 475.00
26	Subgrade Fabric	11,000	SF	$ 0.30	$ 3,300.00
27	Median Landscape & Irrigation *(Removal and Restoration)*	11,200	SF	$ 7.00	$ 78,400.00
	Subtotal				$ 430,294.00
	DRAINAGE IMPROVEMENTS				
28	18" Storm Drain	30	LF	$ 72.00	$ 2,160.00
29	Convert Type 'A' Inlet Top to Standard Manhole Top	3	EA	$ 2,000.00	$ 6,000.00
30	Type 'A' Inlet with Manhole Base	2	EA	$ 3,000.00	$ 6,000.00
31	Type 'A' Inlet	1	EA	$ 2,500.00	$ 2,500.00
32	Connect to Existing Storm Drain at Existing Inlets	3	EA	$ 1,000.00	$ 3,000.00
	Subtotal				$ 19,660.00
	WATER SUPPLY				
33	12" Water *(including all appurtenances)*	25	LF	$ 100.00	$ 2,500.00
34	8" Water *(including all appurtenances) Service to Commercial*	50	LF	$ 90.00	$ 4,500.00
35	Hot tap existing 24" Water with 8" Water	1	EA	$ 3,000.00	$ 3,000.00
36	Hot tap existing 24" Water with 12" Water	1	EA	$ 5,000.00	$ 5,000.00
37	Fire Hydrants	1	EA	$ 3,500.00	$ 3,500.00
38	Fire Hydrants[2]	2	EA	$ 8,000.00	$ 16,000.00
	Subtotal				$ 34,500.00

EXHIBIT C
1A. FAIRVIEW AVENUE (D.R. HORTON IMPROVEMENT)

Item	Description	Quantity	Unit	Unit Price	Amount
	ELECTRICAL				
39	Street Lights *(Cobra; approx. 1 every 180')*	8	EA	$ 2,500.00	$ 20,000.00
40	Interconnect	1,500	LF	$ 15.00	$ 22,500.00
41	Underground Exisitng Overhead Electric	1,500	LF	$ 275.00	$ 412,500.00
	Subtotal				$ 455,000.00
	MISCELLANEOUS				
42	Parkway Landscaping & Irrigation *(residential frontage only)*	21,835	SF	$ 5.00	$ 109,175.00
43	Irrigation Controller	1	LS	$ 15,000.00	$ 15,000.00
44	Irrigation Sleeves	180	LF	$ 5.00	$ 900.00
45	Modification of Existing Traffic Signal at Balfour Rd and Fairview Ave for additional southbound to east bound left turn lane[3]	1	LS	$ 100,000.00	$ 100,000.00
	Subtotal				$ 225,075.00
	SUBTOTAL CONSTRUCTION COST FAIRVIEW AVE - PROJECT FRONTAGE				**$ 1,164,529.00**
	TOTAL				**$ 1,639,151**
	D.R. HORTON TSM 8854 DEVELOPER CONTRIBUTION				**$ 392,495**
	SUBTOTAL ASSESSMENT COST				**$ 1,246,656**

(Edit July 1, 2005): Three Duet Units and the fourplex units in Assessment #10 are not subject to assessment by these proceedings. The Developer has agreed to pay the proportional fees and infrastructure benefit for these lots in cash prior to Final Map approval and execution of an Affordable Housing Agreement. The "Developer Contribution" listed on this estimate includes the Affordable lots' proportional share of the Central Avenue Improvement, which is $11,543 per lot.

Estimate source: CBG dated April 25, 2005

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
1B. FAIRVIEW AVENUE (TRILOGY VINEYARDS LLC IMPROVEMENT)

Item	Description	Quantity	Unit	Unit Price	Amount
	FAIRVIEW AVENUE				
	VINEYARDS AT MARSH CREEK - FAIRVIEW AVENUE - OFF-SITE (140' R/W)				
	CONCORD AVE REALIGNED (EASTERLY RET.) TO JOHN MUIR PARKWAY (EASTERLY RET.)				
	APPROXIMATELY 670 LF				
	GRADING				
1	Earthwork	65,000	CY	$ 4.00	$ 260,000.00
2	Clear and Grub	2.7	AC	$ 2,000.00	$ 5,400.00
3	Fine Grade - width varies	117,750		$ 0.40	$ 47,100.00
	Subtotal Grading				**$ 312,500.00**
	STREET IMPROVEMENTS				
4	5" AC Pavement	32,360	SF	$ 1.60	$ 51,776.00
5	22" Aggregate Base	32,360	SF	$ 2.64	$ 85,430.40
6	Curb & Gutter *(w/ cushion and subdrain)*	1,340	LF	$ 24.60	$ 32,964.00
7	Median Curb *(w/ cushion)*	1140	LF	$ 16.00	$ 18,240.00
8	Signage & Striping	670	LF	$ 10.00	$ 6,700.00
9	10' Multi-Use Path	13,400	SF	$ 4.50	$ 60,300.00
10	Subgrade Fabric	32,360	SF	$ 0.15	$ 4,854.00
11	Fog Seal	32,360	SF	$ 0.05	$ 1,618.00
12	Pavement Transition to Existing Realigned Concord Avenue	1	LS	$ 15,000.00	$ 15,000.00
13	Barricade *(for Phasing)*	2	EA	$ 2,750.00	$ 5,500.00
14	Reconstruct Return at Realigned Concord Avenue with Handicap Ramps	2	EA	$ 3,000.00	$ 6,000.00
15	Remove Existing Fairview Ave. Connection to Concord Ave.	21,440	SF	$ 1.00	$ 21,440.00
	Subtotal Street Improvements				**$ 309,822.40**
	DRAINAGE IMPROVEMENTS				
16	18" RCP	56	LF	$ 45.00	$ 2,520.00
17	36" RCP	563	LF	$ 90.00	$ 50,670.00
18	Catch Basins - Type A	3	EA	$ 2,500.00	$ 7,500.00
19	Connect to Existing 36" Storm Drain	1	EA	$ 1,500.00	$ 1,500.00
20	Adjust Existing CB to Grade	3	EA	$ 1,000.00	$ 3,000.00
21	Adjust Existing SDMH to Grade	1	EA	$ 1,000.00	$ 1,000.00
	Subtotal Drainage Improvements				**$ 66,190.00**

EXHIBIT C
1B. FAIRVIEW AVENUE (TRILOGY VINEYARDS LLC IMPROVEMENT)

Item	Description	Quantity	Unit	Unit Price	Amount
	SANITARY SEWER IMPROVEMENTS				
22	10" PVC Sanitary Sewer	564	LF	$ 42.00	$ 23,688.00
23	Sanitary Sewer Manhole	2	EA	$ 3,200.00	$ 6,400.00
24	Connect to Existing 10" SS	1	EA	$ 1,500.00	$ 1,500.00
25	Adjust Rim Existing SSMH	1	EA	$ 1,000.00	$ 1,000.00
26	SS Lateral - Future EMS	1	EA	$ 1,000.00	$ 1,000.00
	Subtotal Sanitary Sewer Improvements				**$ 33,588.00**
	WATER IMPROVEMENTS				
27	Extend 16" PVC Zone II Water	160	LF	$ 60.00	$ 9,600.00
28	Extend 24" PVC Zone I Water *(Including connection to Zone II BPS)*	240	LF	$ 100.00	$ 24,000.00
29	24" PVC Zone II Water *(Including connection to Zone II BPS)*	505	LF	$ 100.00	$ 50,500.00
30	Blow-off - 24" Zone II Water	1	EA	$ 2,000.00	$ 2,000.00
31	Butterfly Valves - 16" / 24" Water	5	EA	$ 2,500.00	$ 12,500.00
32	Connect to Existing 24" Zone I Water	1	EA	$ 1,000.00	$ 1,000.00
33	Connect to Existing 12" Zone II Water	1	EA	$ 1,000.00	$ 1,000.00
34	Water Service to EMS	1	EA	$ 1,200.00	$ 1,200.00
	Subtotal Water Improvements				**$ 101,800.00**
	ELECTRICAL				
35	Joint Trench, Fiber Optics & Interconnect *(Includes OH to*	670	LF	$ 120.00	$ 80,400.00
36	Electroliers	6	EA	$ 3,500.00	$ 21,000.00
37	Temporary Relocate 21 KV Pole	1	EA	$ 10,000.00	$ 10,000.00
38	Traffic Signal at Realigned Concord Avenue	1	EA	$ 200,000.00	$ 200,000.00
39	Remove Existing 21 KV Poleline *(Included in Item 35)*	0		$ -	$ -
	Subtotal Electrical				**$ 311,400.00**
	MISCELLANEOUS				
40	Landscape & Irrigation Median	6620	SF	$ 4.00	$ 26,480.00
41	Landscape & Irrigation Parkway *(32' x 670')*	21440	SF	$ 2.50	$ 53,600.00
42	Traffic Control for Interim Connection to Concord and Concord	1	LS	$ 50,000.00	$ 50,000.00
43	Tosco Gasline Relocation *(Franchise)*	670	LF	$ -	$ -
44	Erosion Control	2.7	AC	$ 2,000.00	$ 5,400.00
	Subtotal Miscellaneous				**$ 135,480.00**
	SUBTOTAL CONSTRUCTION COST FAIRVIEW AVENUE - CONCORD AVENUE REALIGNED TO JOHN MUIR PARKWAY ***(nearest 100)***				**$ 1,270,800.00**

EXHIBIT C
1B. FAIRVIEW AVENUE (TRILOGY VINEYARDS LLC IMPROVEMENT)

Item	Description	Quantity	Unit	Unit Price	Amount
	VINEYARDS AT MARSH CREEK - FAIRVIEW AVENUE - IN-TRACT				
	JOHN MUIR PARKWAY (EASTERLY RET.) TO RECREATION CENTER ENTRANCE SOUTHERLY RETURN (140'R/W)				
	APPROX. 3700 LF				
	GRADING				
1	Earthwork *(included in In-tract Grading)*	0	CY	$ -	$ -
2	Clear and Grub *(included in In-tract Cleaning and Grub)*	0	AC	$ -	$ -
3	Fine Grade *(140' R/W) (3700 X 140)*	518,000	SF	$ 0.40	$ 207,200.00
	Subtotal Grading				**$ 207,200.00**
	STREET IMPROVEMENTS				
4	5" AC Pavement	184,400	SF	$ 1.60	$ 295,040.00
5	22" Aggregate Base	184,400	SF	$ 2.64	$ 486,816.00
6	Curb and Gutter *(including cushion and subdrain)*	7,740	LF	$ 24.60	$ 190,404.00
7	Median Curb *(including cushion)*	6,180	LF	$ 16.00	$ 98,880.00
8	Signage and Striping	3,700	LF	$ 10.00	$ 37,000.00
9	10' Multi-Use Path	74,000	SF	$ 4.50	$ 333,000.00
10	Subgrade Fabric	184,400	SF	$ 0.15	$ 27,660.00
11	Fog Seal	184,400	SF	$ 0.05	$ 9,220.00
12	Handicap Ramps with Cart Path Access	22	EA	$ 1,000.00	$ 22,000.00
13	Survey Monuments	6	EA	$ 275.00	$ 1,650.00
14	Barricade	1	EA	$ 2,750.00	$ 2,750.00
	Subtotal Street Improvements				**$ 1,504,420.00**
	DRAINAGE IMPROVEMENTS				
15	18" RCP Storm Drain	710	LF	$ 45.00	$ 31,950.00
16	24" RCP Storm Drain	1,380	LF	$ 60.00	$ 82,800.00
17	36" RCP Storm Drain	960	LF	$ 90.00	$ 86,400.00
18	42" RCP Storm Drain	50	LF	$ 105.00	$ 5,250.00
19	Catch Basin - Type A	26	EA	$ 2,500.00	$ 65,000.00
20	Storm Drain Manhole	5	EA	$ 3,000.00	$ 15,000.00
	Subtotal Drainage Improvements				**$ 286,400.00**
	SANITARY SEWER IMPROVEMENT				
21	10" Sanitary Sewer	576	LF	$ 42.00	$ 24,192.00
22	8" Sanitary Sewer	450	LF	$ 33.00	$ 14,850.00
23	Sanitary Sewer Manholes	4	EA	$ 3,200.00	$ 12,800.00
	Subtotal Sanitary Sewer Improvements				**$ 51,842.00**

EXHIBIT C
1B. FAIRVIEW AVENUE (TRILOGY VINEYARDS LLC IMPROVEMENT)

Item	Description	Quantity	Unit	Unit Price	Amount
	***WATER IMPROVEMENTS**				
24	24" PVC Zone II Water	3,160	LF	$ 100.00	$ 316,000.00
25	16" PVC Zone II Water	682	LF	$ 60.00	$ 40,920.00
26	12" PVC Zone III Water	2,770	LF	$ 40.00	$ 110,800.00
27	12" PVC Zone II Water	195	LF	$ 40.00	$ 7,800.00
28	Blow Off	6	EA	$ 1,500.00	$ 9,000.00
29	Air Relief Valves	2	EA	$ 1,500.00	$ 3,000.00
30	Butterfly Valves *(24")*	6	EA	$ 3,000.00	$ 18,000.00
31	Gate Valves	15	EA	$ 1,500.00	$ 22,500.00
32	Water Sampling Station	1	EA	$ 5,000.00	$ 5,000.00
33	Fire Hydrants @ 1000'	8	EA	$ 3,500.00	$ 28,000.00
34	Irrigation Sleeves	4,100	LF	$ 10.00	$ 41,000.00
35	8" Irrigation Pipe *(Including All Appurtences)*	3,700	LF	$ 25.00	$ 92,500.00
36	2" PVC Irrigation Service	400	LF	$ 10.00	$ 4,000.00
37	Irrigation Controllers	2	EA	$ 20,000.00	$ 40,000.00
	Subtotal Water Improvements				**$ 738,520.00**
*	*Cathodic Protection & Thrust Blocks included in above unit price*				
	ELECTRICAL				
38	Joint Trench, Fiber Optics and Interconnect	3,700	LF	$ 120.00	$ 444,000.00
39	Decorative Electroliers @ 180' each side	42	EA	$ 3,500.00	$ 147,000.00
40	Traffic Signal @ JMP	1	EA	$ 200,000.00	$ 200,000.00
	Subtotal Electrical				**$ 791,000.00**
	MISCELLANEOUS				
41	Landscape and Irrigation Median	29,100	SF	$ 4.00	$ 116,400.00
42	Landscape and Irrigation Parkway *(Curb to s/w - 2 x 7.5' x 3700')*	55,500	SF	$ 4.00	$ 222,000.00
43	Landscape and Irrigation *(S/W to PL (42 - 7.5 - 10) x 2 x 3700)*	181,300	SF	$ 1.50	$ 271,950.00
44	Project Entry Landscape & Monumentation - 2 at John Muir Parkway, 1 at Recreation Center	3	EA	$ 100,000.00	$ 300,000.00
45	Erosion Control *(Included in grading estimate)*	0	EA	$ -	$ -
	Subtotal Miscellaneous				**$ 910,350.00**
	FAIRVIEW AVE - IN-TRACT JOHN MUIR PARKWAY (EASTERLY RET.) TO REC CENTER SOUTHERLY ENTRANCE (140'R/W) APPROX. 3700 LF *(nearest 100)* SUBTOTAL				**$ 4,489,700.00**

EXHIBIT C
1B. FAIRVIEW AVENUE (TRILOGY VINEYARDS LLC IMPROVEMENT)

Item	Description	Quantity	Unit	Unit Price	Amount
	VINEYARDS AT MARSH CREEK - FAIRVIEW AVENUE INTRACT AND OFFSITE RECREATION CENTER ENTRANCE TO MARSH CREEK ROAD (140' R/W) ***APPROXIMATELY 3820 LF***				
	GRADING				
1	Earthwork *(included in In-tract Grading)*	0	CY	$ -	$ -
2	Clear and Grub *(included in In-tract Grading)*	0	AC	$ -	$ -
3	Fine Grade *(3860 x140)*	540,400	SF	$ 0.40	$ 216,160.00
	Subtotal Grading				**$ 216,160.00**
	STREET IMPROVEMENTS				
4	5" AC Pavement	203,250	SF	$ 1.60	$ 325,200.00
5	22" Aggregate Base	203,250	SF	$ 2.64	$ 536,580.00
6	Curb and Gutter *(including cushion and subdrain)*	8,100	LF	$ 24.60	$ 199,260.00
7	Median Curb *(including cushion)*	6,570	LF	$ 16.00	$ 105,120.00
8	Signage and Striping	3,820	LF	$ 10.00	$ 38,200.00
9	10' Multi-Path	76,400	SF	$ 4.50	$ 343,800.00
10	Subgrade Fabric	203,250	SF	$ 0.15	$ 30,487.50
11	Fog Seal	203,250	SF	$ 0.05	$ 10,162.50
12	Pavement Transition @ Marsh Creek / Misc. Inter Work	1	LS	$ 100,000.00	$ 100,000.00
13	Handicap Ramps with Golf Cart Access	14	EA	$ 1,000.00	$ 14,000.00
14	Survey Monuments	15	EA	$ 275.00	$ 4,125.00
	Subtotal Street Improvements				**$ 1,706,935.00**
	DRAINAGE IMPROVEMENTS				
15	18" RCP Storm Drain	800	LF	$ 45.00	$ 36,000.00
16	24" RCP Storm Drain	160	LF	$ 60.00	$ 9,600.00
17	36" RCP Storm Drain	1,600	LF	$ 90.00	$ 144,000.00
18	42" RCP Storm Drain	1,600	LF	$ 105.00	$ 168,000.00
19	48" RCP Storm Drain	100	LF	$ 120.00	$ 12,000.00
20	Catch Basin - Type A	24	EA	$ 2,500.00	$ 60,000.00
21	Storm Drain Manhole	5	EA	$ 3,000.00	$ 15,000.00
22	Outfall to Marsh Creek	1	EA	$ 10,000.00	$ 10,000.00
	Subtotal Drainage Improvements				**$ 454,600.00**
	SANITARY SEWER IMPROVEMENT				
23	8" Sanitary Sewer	3,290	LF	$ 33.00	$ 108,570.00
24	8" Sanitary Sewer F.M.	380	LF	$ 42.00	$ 15,960.00
25	15" Sanitary Sewer	100	LF	$ 62.00	$ 6,200.00
26	Sanitary Sewer Manholes	14	EA	$ 3,200.00	$ 44,800.00
27	Pad and Stubs for future SS lift Sta. for Community College/Park	1	EA	$ 10,000.00	$ 10,000.00
28	SS Clean out for Community College	1	EA	$ 1,500.00	$ 1,500.00
	Subtotal Sanitary Sewer Improvements				**$ 187,030.00**

EXHIBIT C
1B. FAIRVIEW AVENUE (TRILOGY VINEYARDS LLC IMPROVEMENT)

Item	Description	Quantity	Unit	Unit Price	Amount
	WATER IMPROVEMENTS				
29	16" PVC Zone II Water	4,000	LF	$ 60.00	$ 240,000.00
30	12" PVC Zone III Water	200	LF	$ 40.00	$ 8,000.00
31	8" PVC Zone II Water	60	LF	$ 27.00	$ 1,620.00
32	8" PVC Zone III Water	200	LF	$ 27.00	$ 5,400.00
33	Blow Off	4	EA	$ 1,500.00	$ 6,000.00
34	Air Relief Valves	4	EA	$ 1,500.00	$ 6,000.00
35	Gate Valves	13	EA	$ 2,000.00	$ 26,000.00
36	Water Sampling Station	1	EA	$ 5,000.00	$ 5,000.00
37	Fire Hydrants @ 1000'	6	EA	$ 3,500.00	$ 21,000.00
38	Irrigation Sleeves	3,500	LF	$ 10.00	$ 35,000.00
39	8" PVC Irrigation Service	4,020	LF	$ 25.00	$ 100,500.00
40	2" Irrigation Service	400	LF	$ 10.00	$ 4,000.00
41	Irrigation Controller	3	EA	$ 20,000.00	$ 60,000.00
	Subtotal Water Improvements				**$ 518,520.00**
	ELECTRICAL				
42	Joint Trench, Fiber Optics and Interconnect	3,800	LF	$ 120.00	$ 456,000.00
43	Decorative Electroliers @ 180' Each Side of Roadway	44	EA	$ 3,500.00	$ 154,000.00
44	Traffic Signal @ Village Center Entrance	1	EA	$ 200,000.00	$ 200,000.00
45	Traffic Signal @ Marsh Creek Road *(N.I.C.)*	0	EA	$ -	$ -
	Subtotal Electrical				**$ 810,000.00**
	MISCELLANEOUS				
46	Landscape and Irrigation Median	32,750	SF	$ 4.00	$ 131,000.00
47	Landscape and Irrigation Parkway *(Curb to s/w - 2 x 7.5 x 3820')*	57,300	SF	$ 4.00	$ 229,200.00
48	Landscape and Irrigation *(S/W to PL (42 - 7.5 - 10) x 2 x 3820')*	187,180	SF	$ 1.50	$ 280,770.00
49	Project Entry Landscape & Monumentation - 1 at V.C. Entrance, 1 at winery, and 1 at Marsh Creek Road	3	EA	$ 100,000.00	$ 300,000.00
50	Cultural Resources Mitigation *(see Miscellaneous)*	0	LS	$ 250,000.00	$ -
51	Erosion Control *(included in grading estimate)*	0	EA	$ -	$ -
52	Marsh Creek Bridge *(includes Scour/Rip Rap)*	1	EA	$ 1,600,000.00	$ 1,600,000.00
53	Traffic Control at Marsh Creek Road	1	LS	$ 30,000.00	$ 30,000.00
	Subtotal Miscellaneous				**$ 2,570,970.00**
	SUBTOTAL FAIRVIEW AVE REC CENTER ENTRANCE TO MARSH CREEK ROAD (140' RIGHT OF WAY) APPROX. 3820 L.F. ***(nearest 100)***				**$ 6,464,200.00**
	TOTAL				**$ 12,224,700**
	TRILOGY VINEYARDS LLC TSM 8796 DEVELOPER CONTRIBUTION				**$ 2,927,580**
	SUBTOTAL ASSESSMENT COST				**$ 9,297,120**

Estimate source: CBG dated June 3, 2004

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
2. JOHN MUIR PARKWAY

Item	Description	Quantity	Unit	Unit Price	Amount
	JOHN MUIR PARKWAY				
	GRADING				
1	Earthwork *(Cut)*	25,000	CY	$ 5.00	$ 125,000.00
2	Clear and Grub	16	AC	$ 2,000.00	$ 32,000.00
3	Fine Grade *(Does not include subdivision daylight grading)*	264,000	SF	$ 0.40	$ 105,600.00
	Subtotal Grading				**$ 262,600.00**
	STREET IMPROVEMENTS				
4	5" AC Pavement	73,365	SF	$ 1.60	$ 117,384.00
5	18" Aggregate Base	73,365	SF	$ 2.16	$ 158,468.40
6	Curb and Gutter *(including cushion and subdrain)*	3,670	LF	$ 24.60	$ 90,282.00
7	Median Curb *(including cushion)*	3,360	LF	$ 16.00	$ 53,760.00
8	Signage and Striping	2,465	LF	$ 10.00	$ 24,650.00
9	10' Sidewalk/Multi-Use Path	17,000	SF	$ 4.50	$ 76,500.00
10	Subgrade Fabric	73,365	SF	$ 0.15	$ 11,004.75
11	Fog Seal	73,365	SF	$ 0.05	$ 3,668.25
12	Survey Monuments	5	EA	$ 275.00	$ 1,375.00
13	Traffic Control for Concord Avenue Transition	1	LS	$ 50,000.00	$ 50,000.00
	Subtotal Street Improvements				**$ 587,092.40**
	DRAINAGE IMPROVEMENTS				
14	18" RCP Storm Drain	2,165	LF	$ 45.00	$ 97,425.00
15	Catch Basin - Type A	14	EA	$ 2,500.00	$ 35,000.00
16	Temp 'V' ditch along existing Concord Avenue *(Earth)*	2,465	LF	$ 3.00	$ 7,395.00
	Subtotal Drainage Improvements				**$ 139,820.00**
	WATER IMPROVEMENTS				
17	12" PVC Zone II Water	1,860	LF	$ 40.00	$ 74,400.00
18	Blow Off	1	EA	$ 1,500.00	$ 1,500.00
19	Air Relief Valves	1	EA	$ 1,500.00	$ 1,500.00
20	Gate Valves	6	EA	$ 1,200.00	$ 7,200.00
21	Fire Hydrants	3	EA	$ 3,500.00	$ 10,500.00
22	8" PVC Irrigation Pipe	1,700	LF	$ 25.00	$ 42,500.00
23	Irrigation Sleeves	640	LF	$ 10.00	$ 6,400.00
24	2" Irrigation Service	100	LF	$ 10.00	$ 1,000.00
25	Irrigation Controller	1	EA	$ 20,000.00	$ 20,000.00
	Subtotal Water Improvements				**$ 165,000.00**

EXHIBIT C
2. JOHN MUIR PARKWAY

Item	Description	Quantity	Unit	Unit Price	Amount
	ELECTRICAL				
26	Joint Trench, Fiber Optics and Interconnect	1,700	LF	$ 120.00	$ 204,000.00
27	Decorative Electroliers @ 180' Alternating Sides of Street	13	EA	$ 3,500.00	$ 45,500.00
	Subtotal Electrical				**$ 249,500.00**
	MISCELLANEOUS				
28	Landscape and Irrigation Median	20,235	SF	$ 4.00	$ 80,940.00
29	Landscape and Irrigation Parkway *(10'E+20'W=30) x 1700'*	51,000	SF	$ 3.50	$ 178,500.00
30	Landscape and Irrigation between R/W and Lots - W. Side to Bdry *(215,100+210,355)*	425,500	SF	$ 2.50	$ 1,063,750.00
31	Erosion Control	16	AC	$ 2,000.00	$ 32,000.00
	Subtotal Miscellaneous				**$ 1,355,190.00**
	SUBTOTAL JOHN MUIR PARKWAY FROM THE INTERIM CONNECTION TO CONCORD AVE TO FAIRVIEW AVE (NORTHERLY RETURN) APPROXIMATELY 2465 LF ***(nearest 100)***				**$ 2,759,200.00**
	TOTAL				**$ 2,759,200**
	TRILOGY VINEYARDS LLC TSM 8796 DEVELOPER CONTRIBUTION				**$ 25,080**
	SUBTOTAL ASSESSMENT COST				**$ 2,734,120**

Estimate source: CBG dated June 3, 2004

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
3. CONCORD AVENUE AND CONCORD AVENUE REALIGNMENT

Item	Description	Quantity	Unit		Unit Price		Amount
	CONCORD AVENUE AND CONCORD AVENUE REALIGNMENT						
	GRADING						
1	Demo Existing Concord Avenue *(2000 LF x 22')*	44,000	SF	$	1.00	$	44,000.00
2	Clear & Grub *((1760' x 60') / 43,560)*	2.42	AC	$	2,000.00	$	4,840.00
3	Earthwork *((2.5' x 44' /27) x 1760')*	7,170	CY	$	5.00	$	35,850.00
4	Fine Grade *(60' x 1760')*	105,600	SF	$	0.40	$	42,240.00
	Subtotal Grading					**$**	**126,930.00**
	STREET IMPROVEMENTS						
5	4" AC Pavement *(37' x 1760')*	6,512	SF	$	1.28	$	8,335.36
6	18" Aggregate Base	6,512	SF	$	2.16	$	14,065.92
7	Curb & Gutter *(Including cushion & subdrain)*	3,520	LF	$	24.60	$	86,592.00
8	Signage & Striping	1,760	LF	$	10.00	$	17,600.00
9	5' Sidewalk with cushion, one side only	8,800	SF	$	3.50	$	30,800.00
10	Subgrade Fabric	6,512	SF	$	0.15	$	976.80
11	Fog Seal	6,512	SF	$	0.05	$	325.60
12	Survey Monuments	8	EA	$	275.00	$	2,200.00
13	Temporary Connection to Existing Concord Avenue near PG&E	3,520	SF	$	2.50	$	8,800.00
14	Pavement Transition to Concord Avenue for Ultimate Connection	1	LS	$	25,000.00	$	25,000.00
15	Remove Temporary Connection Concord Avenue near PG&E	3,520	SF	$	2.00	$	7,040.00
16	Traffic Control	1	LS	$	40,000.00	$	40,000.00
	Subtotal Street Improvements					**$**	**241,735.68**
	DRAINAGE IMPROVEMENTS						
17	18" RCP Storm Drain	40	LF	$	45.00	$	1,800.00
18	66" RCP Storm Drain *(Concord Realignment to Detention Basin)*	1,000	LF	$	165.00	$	165,000.00
19	66" RCP Storm Drain *(Concord Realignment to Phase III Boundary)*	635	LF	$	165.00	$	104,775.00
20	84" Steel Sleeve Across CCWD w/ Cathodic Protection	100	LF	$	300.00	$	30,000.00
21	Catch Basin - Type A	1	EA	$	2,500.00	$	2,500.00
22	Catch Basin - Large & Deep	4	EA	$	5,000.00	$	20,000.00
	Subtotal Drainage Improvements					**$**	**324,075.00**

EXHIBIT C
3. CONCORD AVENUE AND CONCORD AVENUE REALIGNMENT

Item	Description	Quantity	Unit		Unit Price		Amount
	MISCELLANEOUS						
23	Erosion Control	2.42	AC	$	2,000.00	$	4,840.00
24	Relocate 12" Tosco *(franchise)*	0		$	-	$	-
25	Cap 18" PG&E Line 57A	90	LF	$	200.00	$	18,000.00
26	Cap 22" PG&E Line 57B	90	LF	$	200.00	$	18,000.00
27	Cap 22" PG&E Line 114	90	LF	$	200.00	$	18,000.00
28	Cap 96" CCWD	90	LF	$	250.00	$	22,500.00
29	Cross 48" ECCID	90	LF	$	100.00	$	9,000.00
30	66" Storm Drain Crossing 22" PG&E Gasline 114	1	EA	$	15,000.00	$	15,000.00
31	66" Storm Drain Crossing 22" PG&E Gasline 57B	1	EA	$	15,000.00	$	15,000.00
32	66" Storm Drain Crossing 18" PG&E Gasline 57A	1	EA	$	15,000.00	$	15,000.00
33	66" Storm Drain Crossing 96" CCWD	1	EA	$	15,000.00	$	15,000.00
34	66" Storm Drain Crossing 48" ECCID	1	EA	$	15,000.00	$	15,000.00
35	Fencing along CCWD / RV Park	1,760	LF	$	10.00	$	17,600.00
	Subtotal Miscellaneous					**$**	**182,940.00**
	SUBTOTAL CONCORD AVENUE REALIGNMENT - 60' R/W *(nearest 100)*					**$**	**875,700.00**

EXHIBIT C
3. CONCORD AVENUE AND CONCORD AVENUE REALIGNMENT

Item	Description	Quantity	Unit	Unit Price	Amount
	VINEYARDS AT MARSH CREEK CONCORD AVENUE WIDENING - 60' R/W CONCORD AVENUE REALIGNED TO MARSH CREEK BRIDGE SUBDIVISION 8089 - APPROXIMATELY 1000 LF				
	GRADING				
1	Earthwork	481	CY	$ 5.00	$ 2,405.00
2	Sawcut and Remove Existing Concord Avenue Pavement	1,000	LF	$ 1.00	$ 1,000.00
3	Clear and Grub *((18' x 1000') / 43,560)*	0.41	AC	$ 2,000.00	$ 820.00
4	Fine Grade *(18' x 1000')*	18,000	SF	$ 0.40	$ 7,200.00
	Subtotal Grading				**$ 11,425.00**
	STREET IMPROVEMENTS				
				$ 1.28	
5	4" AC Pavement	6,500	SF		$ 8,320.00
				$ 2.16	
6	18" Aggregate Base	6,500	SF		$ 14,040.00
7	Curb & Gutter *(Including cushion & subdrain)*	1,000	LF	$ 24.60	$ 24,600.00
8	Subgrade Fabric	6,500	SF	$ 0.15	$ 975.00
9	Fog Seal	6,500	SF	$ 0.05	$ 325.00
10	Traffic Control	1	LS	$ 10,000.00	$ 10,000.00
11	Driveway Apron for Detention Basin / ECCID Access *(25' x*	250	SF	$ 4.00	$ 1,000.00
12	Pedestrian Activated Lighted Crosswalk *(Condition of*	1	EA	$ 25,000.00	$ 25,000.00
	Subtotal Street Improvements				**$ 84,260.00**
	ELECTRICAL				
13	Relocate Existing 60 KV Pole	3	EA	$ 25,000.00	$ 75,000.00
	Subtotal Electrical				**$ 75,000.00**
	MISCELLANEOUS				
14	Landscape & Irrigation - south side only *(10' x 1000')*	10,000	SF	$ 4.00	$ 40,000.00
15	Erosion Control	1	LS	$ 2,000.00	$ 2,000.00
	Subtotal Miscellaneous				**$ 42,000.00**
	SUBTOTAL CONCORD WIDENING TO MARSH CREEK BRIDGE *(nearest 100)*				**$ 212,700.00**

EXHIBIT C
3. CONCORD AVENUE AND CONCORD AVENUE REALIGNMENT

Item	Description	Quantity	Unit	Unit Price	Amount
	VINEYARDS AT MARSH CREEK CONCORD AVENUE - TEMPORARY CONNECTION FAIRVIEW AVENUE TO EXISTING CONCORD AVENUE APPROXIMATELY 800 LF				
	GRADING				
1	Earthwork *(cut)*	4,600	CY	$ 5.00	$ 23,000.00
2	Fine Grade *(24' x 800')*	19,200	SF	$ 0.40	$ 7,680.00
3	4" AC Pavement *(24' x 800')*	19,200	SF	$ 1.28	$ 24,576.00
4	12" Aggregate Base	19,200	SF	$ 1.44	$ 27,648.00
5	6" AC Dike	1600	LF	$ 11.00	$ 17,600.00
6	Signing & Striping	800	LF	$ 10.00	$ 8,000.00
7	Relocate 21 KV Pole	1	EA	$ 5,000.00	$ 5,000.00
8	K-Rail	1,000	LF	$ 3.00	$ 3,000.00
9	Transition to Existing Concord Avenue and Fairview Avenue	2	EA	$ 5,000.00	$ 10,000.00
10	Traffic Control	1	LS	$ 20,000.00	$ 20,000.00
11	Catch Basin - Type A	2	EA	$ 2,500.00	$ 5,000.00
12	18" RCP Storm Drain	120	LF	$ 45.00	$ 5,400.00
13	Right of Way / Access Easement Acquisition *(HOA)*	1	LS	$ 10,000.00	$ 10,000.00
14	Remove Temporary Connection when Fairview Avenue / John Muir Parkway complete	19,200	SF	$ 2.50	$ 48,000.00
	SUBTOTAL CONCORD AVENUE TEMPORARY CONNECTION FAIRVIEW AVENUE TO EXISTING CONCORD AVENUE *(nearest 100)*				**$ 214,900.00**
	TOTAL				**$ 1,303,300**
	TRILOGY VINEYARDS LLC TSM 8796 DEVELOPER CONTRIBUTION				**$ 12,440**
	SUBTOTAL ASSESSMENT COST				**$ 1,290,860**

Estimate source: CBG dated June 3, 2004

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
4. WATER FACILITIES

Item	Description	Quantity	Unit	Unit Price	Amount
	WATER FACILITIES				
	GRADING				
1	Earthwork *(included in on-site earthwork cost)*	0	CY	$ -	$ -
2	Clear and Grub *(Included in on-site cost)*	0	AC	$ -	$ -
	Subtotal Grading				**$ -**
	STREET IMPROVEMENTS - PHASE V-B ROADWAY (1500LF)				
3	Fine Grade	57,610	SF	$ 0.40	$ 23,044.00
4	4" AC Pavement *(1st lift only)*	51,450	SF	$ 0.64	$ 32,928.00
5	9" Aggregate Base	51,450	SF	$ 1.08	$ 55,566.00
6	Curb & Gutter *(including cushion and subdrain)*	3,085	LF	$ 24.60	$ 75,891.00
7	4' Sidewalk - one side only	6,000	SF	$ 3.50	$ 21,000.00
8	Subgrade Fabric	51,450	SF	$ 0.15	$ 7,717.50
	Subtotal Phase V-B Roadway				**$ 216,146.50**
	STREET IMPROVEMENTS - RESERVOIR ACCESS ROAD-TEMP				
9	Temp Reservoir Access Road, Fairview Avenue to Phase V-B Roadway *(including drainage)*	200	LF	$ 150.00	$ 30,000.00
	Subtotal Reservoir Access Road - Temp				**$ 30,000.00**
	STREET IMPROVEMENTS - RESERVOIR ACCESS ROAD-PERMANENT				
10	Permanent Reservoir Access Road, Phase V-B Roadway to Reservoir site *(including drainage)*	750	LF	$ 225.00	$ 168,750.00
	Subtotal Reservoir Access Road - Permanent				**$ 168,750.00**
	DRAINAGE IMPROVEMENTS - PHASE V-B ROADWAY				
11	18" RCP Storm Drain	1,800	LF	$ 36.00	$ 64,800.00
12	Catch Basin - Type A	6	EA	$ 2,500.00	$ 15,000.00
13	Storm Drain Manhole	1	EA	$ 3,000.00	$ 3,000.00
	Subtotal Drainage Improvements - Phase V-B Roadway				**$ 82,800.00**
	SANITARY SEWER IMPROVEMENTS				
14	8" PVC Sanitary Sewer	1,240	LF	$ 30.00	$ 37,200.00
15	Sanitary Sewer Manhole	5	EA	$ 2,500.00	$ 12,500.00
16	Sewer Service	3	EA	$ 750.00	$ 2,250.00
	Subtotal Sanitary Sewer Improvements - Phase V-B Roadway				**$ 51,950.00**

EXHIBIT C
4. WATER FACILITIES

Item	Description	Quantity	Unit	Unit Price	Amount
	WATER IMPROVEMENTS				
17	24" PVC Zone II Water Main	2,400	LF	$ 100.00	$ 240,000.00
18	12" PVC Zone III Water Main	1,750	LF	$ 40.00	$ 70,000.00
19	Blow Offs	3	EA	$ 2,000.00	$ 6,000.00
20	Butterfly Valves *(24")*	6	EA	$ 2,500.00	$ 15,000.00
21	Gate Valves	10	EA	$ 1,200.00	$ 12,000.00
22	Water Services	3	EA	$ 750.00	$ 2,250.00
23	Fire Hydrants	3	EA	$ 3,500.00	$ 10,500.00
24	4.0 MG Zone II Reservoir and Associated Infrastructure	1	LS	$ 4,000,000.00	$ 4,000,000.00
25	Zone III Hydropneumatic Pump Station	1	LS	$ 700,000.00	$ 700,000.00
26	Zone II BPS	1	EA	$ 700,000.00	$ 700,000.00
	Subtotal Water Improvements - Fairview to Reservoir				**$ 5,755,750.00**
	SUBTOTAL ZONE II RESERVOIR, ZONE III HPS AND RESERVOIR ACCESS ROAD *(nearest 100)*				**$ 6,305,400.00**
	10% CONTINGENCY				**$ 630,540**
	TOTAL				**$ 6,935,940**
	TRILOGY VINEYARDS LLC TSM 8796 DEVELOPER CONTRIBUTION				**$ 74,940**
	SUBTOTAL ASSESSMENT COST				**$ 6,861,000**

Estimate source: CBG dated June 3, 2004

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
5. WASTEWATER FACILITIES

Item	Description	Quantity	Unit	Unit Price	Amount
	WASTEWATER FACILITIES				
	MASTER WASTEWATER SYSTEM - PHASE 1				
1	Connect to Existing 15" Sanitary Sewer	1	EA	$ 5,000.00	$ 5,000.00
2	Cross Concord Avenue	1	LS	$ 10,000.00	$ 10,000.00
3	15" PVC Sanitary Sewer *(Deep)*	1,107	LF	$ 100.00	$ 110,700.00
4	Sanitary Sewer Manhole *(Deep)*	3	EA	$ 5,000.00	$ 15,000.00
5	Open Cut 30" Steel Sleeve *(Deep)* at Bypass	331	LF	$ 250.00	$ 82,750.00
6	Catholdic Protection at Bypass	1	LS	$ 10,000.00	$ 10,000.00
7	Cross 26" Stanpac Gasline	1	LS	$ 5,000.00	$ 5,000.00
8	Cross 18" Chevron Oilline	1	LS	$ 5,000.00	$ 5,000.00
	Subtotal Phase 1				**$ 243,450.00**
	MASTER WASTEWATER SYSTEM - PHASE 2 (from Phase 1 connection to Village Center to Fairview Avenue / Phase IVB)				
9	15" PVC Sanitary Sewer *(Deep)*	1,900	LF	$ 100.00	$ 190,000.00
10	15" PVC Sanitary Sewer	1,500	LF	$ 75.00	$ 112,500.00
11	10" PVC Sanitary Sewer	270	LF	$ 40.00	$ 10,800.00
12	Sanitary Sewer Manhole *(Deep)*	5	EA	$ 5,000.00	$ 25,000.00
13	Sanitary Sewer Manhole	12	EA	$ 2,500.00	$ 30,000.00
14	Bore & Jack 30" Steel Sleeve *(Deep)* at CCWD	100	LF	$ 500.00	$ 50,000.00
15	Cathodic Protection for Steel Sleeve at CCWD	1	LS	$ 10,000.00	$ 10,000.00
	Subtotal Phase 2				**$ 428,300.00**
	TOTAL OFF-SITE SANITARY SEWER *(nearest 100)*				**$ 671,800.00**
	TOTAL				**$ 671,800**
	TRILOGY VINEYARDS LLC TSM 8796 DEVELOPER CONTRIBUTION				**$ 143,240**
	SUBTOTAL ASSESSMENT COST				**$ 528,560**

Estimate source: CBG dated June 3, 2004

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
6. SAND CREEK ROAD (PRINGLE IMPROVEMENT)

Item	Description	Quantity	Unit	Unit Price	Amount
	SAND CREEK ROAD				
1	Sand Creek Road Landscape & Irrigation				
	North Parkway	16,000	SF	$ 5.00	$ 80,000
	South Parkway	17,000	SF	$ 5.00	$ 85,000
	Median	4,000	SF	$ 5.00	$ 20,000
2	Irrigation Controller	1	EA	$ 15,000.00	$ 15,000
	Subtotal Roadway Fee Credits				$ 200,000
	Engineering & Plan Check				$ 25,000
	Financing				$ 20,000
	Traffic Control				$ 4,000
	TOTAL				**$ 249,000.00**
	PRINGLE TSM 8763 DEVELOPER CONTRIBUTION				**$ 199,773.00**
	SUBTOTAL ASSESSMENT COST				**$ 49,227**

Estimate source: CBG estimate dated April 2005

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
7. O'HARA AVENUE

Item	Description	Quantity	Unit	Unit Price	Amount
	O'HARA AVENUE OFF-SITE				
	O'Hara Avenue - South Bdry to Grant Street (76' R/W) - 150 LF				
	Assume: *20' of pavement both sides; 16' median with landscaping; curb, gutter & sidewalk both sides; 5' parkway with landscaping both sides*				
	STREET IMPROVEMENTS				
1	Grading *(5' x 56' x 100' / 27) assume raise for bridge*	1,050	CY	$ 12.00	$ 12,600.00
2	Grading to Property Line *(76' x 100')*	7,600	SF	$ 0.35	$ 2,660.00
3	5" AC Paving *(37' x 150)*	5,550	SF	$ 1.60	$ 8,880.00
4	21" Aggregate Base *(37' x 150)*	5,550	SF	$ 3.00	$ 16,650.00
5	Subgrade Fabric *(40' x 150)*	6,000	SF	$ 0.30	$ 1,800.00
6	Fogseal	5,550	SF	$ 0.04	$ 222.00
7	Curb & Gutter with Cushion and Subdrain	300	LF	$ 18.00	$ 5,400.00
8	5' Sidewalk with Cushion	1,500	SF	$ 4.00	$ 6,000.00
9	Street Signs	1	EA	$ 250.00	$ 250.00
10	Street Monuments	0	EA	$ 300.00	$ -
11	Handicap Ramps	2	EA	$ 500.00	$ 1,000.00
12	Striping	1	LS	$ 5,000.00	$ 5,000.00
13	Traffic Signs	2	EA	$ 250.00	$ 500.00
14	Parkway Landscaping & Irrigation	1,500	SF	$ 4.00	$ 6,000.00
15	Right of Way Acquisition *(Flood Control) 50' x 80'*	4,000	SF	$ 3.00	$ 12,000.00
16	License Agreement *(EBMUD) 80' x 100'*	8,000	SF	$ 3.00	$ 24,000.00
17	Bridge *(@ Channel) 70' x 50'*	3,500	SF	$ 175.00	$ 612,500.00
18	EBMUD Protective Slab *(60' x 100')*	6,000	SF	$ 35.00	$ 210,000.00
19	Conform to Intersection *(@ Grant St)*	1	LS	$ 50,000.00	$ 50,000.00
20	Traffic Signal *(@ Grant St)*	1	LS	$ -	N.I.C.
	Subtotal Street Work				**$ 975,462.00**
	WATER				
21	30" PVC *(Including Appurtenances) attached to bridge*	50	LF	$ 300.00	$ 15,000.00
22	30" PVC *(Including Appurtenances) sleeved @ EBMUD*	100	LF	$ 300.00	$ 30,000.00
22	Connect to Existing	1	EA	$ 5,000.00	$ 5,000.00
	Subtotal Water				**$ 50,000.00**
	ELECTRICAL				
23	Joint Trench	150	LF	$ 110.00	$ 16,500.00
24	Electrolier *(Assume 2 every 180')*	2	EA	$ 3,500.00	$ 7,000.00
	Subtotal Electrical				**$ 23,500.00**

EXHIBIT C
7. O'HARA AVENUE

Item	Description	Quantity	Unit	Unit Price	Amount
	MISCELLANEOUS				
25	Flood Control Maintenance Road Modification	1	LS	$ 100,000.00	$ 100,000.00
	Subtotal Miscellaneous				**$ 100,000.00**
	SUBTOTAL OFF-SITE O'HARA AVE				**$ 1,149,000.00**
	O'HARA AVENUE ON-SITE				
	O'Hara Avenue - Project Frontage (100' R/W) - 1350 LF				
	Assume: *20' pavement removal; 20' of pavement both sides; 16' median with landscaping; curb, gutter & sidewalk both sides; 17' parkway with landscaping both sides; Deduct 12' of parkway landscaping @ Madrid*				
	STREET IMPROVEMENTS				
26	Remove Existing Pavement *(20' x 1350)*	27,000	SF	$ 2.00	$ 54,000.00
27	Grading *(3' x 56' x 1350' / 27)*	8,400	CY	$ 5.00	$ 42,000.00
28	Grading to Property Line *(100' x 1350')*	135,000	SF	$ 0.35	$ 47,250.00
29	5" AC Paving *(37' x 1350)*	49,950	SF	$ 1.60	$ 79,920.00
30	21" Aggregate Base *(37' x 1350)*	49,950	SF	$ 3.00	$ 149,850.00
31	Subgrade Fabric *(40' x 1350)*	54,000	SF	$ 0.30	$ 16,200.00
32	Fogseal	49,950	SF	$ 0.04	$ 1,998.00
33	Curb & Gutter with Cushion and Subdrain	2,700	LF	$ 18.00	$ 48,600.00
34	Median Curb with Cushion and Subdrain	2,700	LF	$ 18.00	$ 48,600.00
35	Median Landscaping & Irrigation	21,600	SF	$ 5.00	$ 108,000.00
36	5' Sidewalk with Cushion	13,500	SF	$ 4.00	$ 54,000.00
37	Conform to Existing Driveways	2	EA	$ 5,000.00	$ 10,000.00
38	Miscellaneous Frontage Imps to Existing Prop's *Hoyle and Dominguez*	2	EA	$ 10,000.00	$ 20,000.00
39	Street Signs	1	EA	$ 250.00	$ 250.00
40	Street Monuments	3	EA	$ 300.00	$ 900.00
41	Striping	1,350	LF	$ 5.00	$ 6,750.00
42	Traffic Signs	5	EA	$ 250.00	$ 1,250.00
43	Traffic Control	1,350	LF	$ 20.00	$ 27,000.00
44	Parkway Landscaping & Irrigation	45,900	SF	$ 4.00	$ 183,600.00
45	Conform to Existing Improvements *(Subd 8546)*	1	LS	$ 25,000.00	$ 25,000.00
46	Intersection Modifications @ *Lone Tree Way*	1	LS	$ -	N.I.C.
47	Miscellaneous Improvements - *Church Prop Frontage*	1	LS	$ -	N.I.C.
48	Parkway Landscaping & Irrigation Deduct - *Madrid Frnt*	4,320	SF	$ (4.00)	N.I.C.
	Subtotal Street Work				$ 925,168.00
	STORM DRAIN				
49	Type A/C Inlets Openings	9	EA	$ 2,500.00	$ 22,500.00
50	Manholes	1	EA	$ 3,000.00	$ 3,000.00
51	18" RCP	720	LF	$ 49.00	$ 35,280.00
52	24" RCP	450	LF	$ 71.00	$ 31,950.00
	Subtotal Storm Drain				$ 92,730.00

EXHIBIT C
7. O'HARA AVENUE

Item	Description	Quantity	Unit	Unit Price	Amount
	SANITARY SEWER				
53	8" PVC *(SDR - 35)*	350	LF	$ 35.00	$ 12,250.00
54	12" PVC *(SDR - 35)*	830	LF	$ 50.00	$ 41,500.00
55	Manholes *(Assume 1 every 300')*	6	EA	$ 2,500.00	$ 15,000.00
56	Connect to Existing	1	EA	$ 5,000.00	$ 5,000.00
57	Laterals for Existing Properties	2	EA	$ 1,000.00	$ 2,000.00
58	Remove Existing Septic and Hook Up Ex Houses	2	EA	$ 15,000.00	$ 30,000.00
	Hoyle and Dominguez				
	Subtotal Sanitary Sewer				$ 105,750.00
	WATER				
59	8" PVC *(Including Appurtenances) for ex property services*	450	LF	$ 32.00	$ 14,400.00
60	30" PVC *(Including Appurtenances)*	1,350	LF	$ 150.00	$ 202,500.00
61	Service Connection for Existing Properties *(1" meter)*	2	EA	$ 1,000.00	$ 2,000.00
62	Meters for Existing Properties	2	EA	$ 250.00	$ 500.00
63	Remove Existing Well and Hook Up Ex Houses	2	EA	$ 15,000.00	$ 30,000.00
	Hoyle and Dominguez				
64	Irrigation Controller	1	EA	$ 15,000.00	$ 15,000.00
65	Fire Hydrants *(Assume 1 every 500')*	3	EA	$ 3,500.00	$ 10,500.00
66	Modification of Ex Water Connections @ *Lone Tree*	1	LS	$ 15,000.00	N.I.C.
	Subtotal Water				$ 274,900.00
	ELECTRICAL				
67	Underground Overhead Electric *(West Side)*	1,350	LF	$ 200.00	$ 270,000.00
68	Re-establish Service Poles - *West Side*	2	EA	$ 5,000.00	$ 10,000.00
69	Electrolier *(Double Arm Cobras)*	9	EA	$ 3,500.00	$ 31,500.00
	Subtotal Electrical				$ 311,500.00
	MISCELLANEOUS				
70	Remove Existing ECCID Facilities *(@'B' Street Int)*	1	LS	$ 10,000.00	$ 10,000.00
71	Relocate 20" ECCID *(in O'Hara Ave from Subd 8546)*	300	LF	$ 150.00	$ 45,000.00
72	Right of Way Acquisition	0	LS	$ -	$ -
	Subtotal Miscellaneous				$ 55,000.00
	SUBTOTAL O'HARA AVENUE ON-SITE				**$ 1,765,000.00**
	TOTAL O'HARA AVENUE ON- AND OFF-SITE				**$ 2,914,000**
	MERITAGE HOMES TSM 8875 DEVELOPER CONTRIBUTION				**$ 1,667,860**
	SUBTOTAL ASSESSMENT COST				**$ 1,246,140**

Estimate source: CBG estimate dated March 18, 2005
Water item updated June 22, 2005.
O'Hara Avenue on-site added June 22, 2005.

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
8. CENTRAL BOULEVARD

Item	Description	Quantity	Unit	Unit Price	Amount
	CENTRAL BOULEVARD				
	Griffith Lane to Dainty Avenue				
	GRADING/SITE WORK				
1	Rough Grading (Cut and Export)	3,800	CY	$ 15.00	$ 57,000.00
2	Clear & Grub	1	LS	$ 22,000.00	$ 22,000.00
3	Erosion Control	1	LS	$ 20,000.00	$ 20,000.00
4	Structural excav., shoring, and creek restoration (Marsh Creek Bridge)	1	LS	$ 150,000.00	$ 150,000.00
	Subtotal Grading/Site Work				**$ 249,000.00**
	PAVING				
5	Street Fine Grading	66,500	SF	$ 0.35	$ 23,275.00
6	Slurry Coat	64,100	SF	$ 0.20	$ 12,820.00
7	Roadway AC Paving (4" AC/22" AB) (Includes Prime Coat & Fog Seal)	39,500	SF	$ 4.50	$ 177,750.00
8	10' AC Trail along Creek	1,260	SF	$ 2.50	$ 3,150.00
9	AC Berm Removal	155	LF	$ 4.00	$ 620.00
10	AC Removal	1,260	SF	$ 0.60	$ 756.00
11	Geofabric	4,389	SY	$ 1.40	$ 6,144.60
12	6" AC Plug at new medians	1,590	SF	$ 2.60	$ 4,134.00
13	Sawcut	155	LF	$ 1.10	$ 170.50
	Subtotal Paving				**$ 228,820.10**
	CONCRETE				
14	Bridge (40' x 120')	4,800	SF	$ 210.00	$ 1,008,000.00
15	6" Curb & Gutter	1,200	LF	$ 17.00	$ 20,400.00
16	6" Curb & Gutter (median)	2,110	LF	$ 15.00	$ 31,650.00
17	Sidewalk	6,360	SF	$ 4.50	$ 28,620.00
18	Subdrain under curb & gutter	3,310	LF	$ 8.00	$ 26,480.00
	Subtotal Concrete				**$ 1,115,150.00**
	SANITARY SEWER				
19	Adjust existing manhole to grade	3	EA	$ 700.00	$ 2,100.00
	Subtotal Sanitary Sewer				**$ 2,100.00**
	STORM DRAIN				
20	Adjust existing inlet to grade	5	EA	$ 1,000.00	$ 5,000.00
	Subtotal Strom Drain				**$ 5,000.00**

EXHIBIT C
8. CENTRAL BOULEVARD

Item	Description	Quantity	Unit	Unit Price	Amount
	WATER				
21	Fire Hydrant & Valve	2	EA	$ 3,500.00	$ 7,000.00
22	Irrigation Services	2	EA	$ 1,600.00	$ 3,200.00
	Subtotal Water				**$ 10,200.00**
	SIGNING & STRIPING				
23	Thermoplastic Striping and Markings	1	LS	$ 25,000.00	$ 25,000.00
24	Traffic Signs	50	EA	$ 260.00	$ 13,000.00
25	Blue Hydrant Markers	6	EA	$ 27.00	$ 162.00
26	Drains to Delta marking at inlets	10	EA	$ 90.00	$ 900.00
	Subtotal Signing & Striping				**$ 39,062.00**
	JOINT TRENCH				
27	Joint Trench		LF	$ 50.00	$ -
28	Joint Trench (Signal Interconnect)	1,500	LF	$ 65.00	$ 97,500.00
29	Joint Trench (Street Lights)	1,500	LF	$ 65.00	$ 97,500.00
	Subtotal Street Lights				**$ 195,000.00**
	MISCELLANEOUS				
30	Traffic Signal (Central at Dainty)	1	LS	$ 185,000.00	$ 185,000.00
31	Electroliers	5	EA	$ 2,500.00	$ 12,500.00
32	Electrolier Pull Boxed	5	EA	$ 100.00	$ 500.00
33	Remove Existing Fence	301	LF	$ 10.00	$ 3,010.00
34	8' high Masonry Wall	450	LF	$ 142.00	$ 63,900.00
35	Remove Existing Trees	5	EA	$ 200.00	$ 1,000.00
36	Landscaping	18,400	SF	$ 3.70	$ 68,080.00
37	Irrigation	18,400	SF	$ 3.70	$ 68,080.00
	Subtotal Utilities				**$ 402,070.00**
	SUBTOTAL OFF-SITE GRIFFITH LANE TO DAINTY AVENUE IMPROVEMENT				**$ 2,246,402**

EXHIBIT C
8. CENTRAL BOULEVARD

Item	Description	Quantity	Unit	Unit Price	Amount
	CENTRAL BOULEVARD				
	UPRR to Griffith Lane				
	GRADING				
38	Fine Grading	121,000	SF	$ 0.20	$ 24,200.00
	Subtotal Grading				$ 24,200.00
	STREET IMPROVEMENTS				
39	Grind AC Pavement	1,940	SF	$ 4.00	$ 7,760.00
40	AC Overlay (2")	92,080	SF	$ 0.88	$ 81,030.40
41	Asphalt Concrete (4")	34,580	SF	$ 1.00	$ 34,580.00
42	Aggregate Base (14")	34,580	SF	$ 1.12	$ 38,729.60
43	Pavement Sealant (Fog)	34,580	SF	$ 0.05	$ 1,729.00
44	Pavement Saw Cut	3,000	LF	$ 1.00	$ 3,000.00
45	Relocate Signs	0.3	MILE	$ 4,050.00	$ 1,215.00
46	Sidewalk (with 4" CL 2 AB)	20,190	SF	$ 2.85	$ 57,541.50
47	Handicap Ramp	6	EA	$ 100.00	$ 600.00
48	Driveway Approach (Commercial)	1,450	SF	$ 4.00	$ 5,800.00
49	Striping	7,200	LF	$ 1.00	$ 7,200.00
50	Joint Trench	1,760	LF	$ 18.00	$ 31,680.00
51	6' Sound Wall	2,620	LF	$ 65.00	$ 170,300.00
52	Barricade (Metal: ST ~~12~~ 16)	107	LF	$ 35.00	$ 3,745.00
53	Street Trees	217	EA	$ 90.00	$ 19,530.00
54	Signs	0.3	MILE	$ 8,100.00	$ 2,430.00
55	Curb & Gutter	2,990	LF	$ 12.00	$ 35,880.00
56	Geofabric	34,580	SF	$ 0.20	$ 6,916.00
57	Retaining Wall (3' max)	2,480	SF	$ 15.00	$ 37,200.00
58	Thermoplastic Pavement Markings	1,600	SF	$ 0.50	$ 800.00
59	AC Berm Removal	100	LF	$ 3.00	$ 300.00
60	AC Removal	9,620	SF	$ 1.50	$ 14,430.00
	Subtotal Street Improvements				$ 562,396.50
	DRAINAGE IMPROVEMENTS				
61	18" RCP	68	LF	$ 45.00	$ 3,060.00
62	24" RCP	159	LF	$ 60.00	$ 9,540.00
63	Type A & C Inlets	8	EA	$ 1,400.00	$ 11,200.00
64	SD Manhole Type I	1	EA	$ 1,600.00	$ 1,600.00
65	Adjust MH to Grade	1	EA	$ 400.00	$ 400.00
	Subtotal Drainage Improvements				$ 25,800.00
	SANITARY SEWER				
66	8" PVC (SDR-35)	159	LF	$ 30.00	$ 4,770.00
67	Manhole	1	EA	$ 2,500.00	$ 2,500.00
	Subtotal Sanitary Sewer				$ 7,270.00

EXHIBIT C
8. CENTRAL BOULEVARD

Item	Description	Quantity	Unit	Unit Price	Amount
	WATER IMPROVEMENTS				
68	6" PVC (C900) Class 200	40	LF	$ 19.00	$ 760.00
69	12" PVC (C900) Class 200	101	LF	$ 27.00	$ 2,727.00
70	Fire Hydrant	5	EA	$ 2,500.00	$ 12,500.00
71	12" Butterfly	2	EA	$ 1,500.00	$ 3,000.00
72	Adjust Water Valve to Grade	6	EA	$ 200.00	$ 1,200.00
73	Cathodic Protection	1	LS	$ 3,500.00	$ 3,500.00
	Subtotal Water Improvements				$ 23,687.00
	ELECTRICAL				
74	Modify Existing Traffic Signal (Central/Walnut)	1	EA	$ 50,000.00	$ 50,000.00
75	Relocate Existing Electrolier	1	EA	$ 1,000.00	$ 1,000.00
	Subtotal Electrical				$ 51,000.00
	MISCELLANEOUS				
76	Mobilization	1	LS	$ 50,000.00	$ 50,000.00
77	Winterization	1	LS	$ 20,000.00	$ 20,000.00
78	Landscaping	91,400.00	SF	$ 2.00	$ 182,800.00
79	Irrigation	91,400.00	SF	$ 2.00	$ 182,800.00
	Subtotal Miscellaneous				$ 435,600.00
	SUBTOTAL IMPROVEMENT				$ 1,129,954
	10% Contingency				$ 112,995
	SUBTOTAL ON-SITE UPRR TO GRIFFITH LANE IMPROVEMENT				**$ 1,242,949**
	SUBTOTAL ON-SITE AND OFF-SITE CENTRAL AVENUE IMPROVEMENT				**$ 3,489,351**
	CITY ENGINEERING & PLAN CHECK (12.5%)				$ 436,169
	TRAFFIC CONTROL (2%)				$ 69,787
	ENVIRONMENTAL COORDINATION & PERMITS				$ 50,000
	TOTAL				**$ 4,045,307**
	PINN BROTHERS TSM 8729 DEVELOPER CONTRIBUTION				**$ 688,157**
	SUBTOTAL ASSESSMENT COST				**$ 3,357,150**

Estimate source: RJA estimate dated April 5, 2005
Estimate Edited by City April 29, 2005
Onsite Central Avenue added June 22, 2005. Estimate provided by RJA.

(Edit July 1, 2005): One Small Lot ($20,000) and one Medium Lot ($22,000) in Assessment #8 are not subject to assessment by these proceedings. The Developer has agreed to pay the proportional fees and infrastructure benefit for these lots in cash prior to Final Map approval and execution of an Affordable Housing Agreement. The "Developer Contribution" listed on this estimate includes the Affordable lots' proportional share of the Central Avenue Improvement, which is $5,900 per Small Lot and $6,600 per Medium Lot.

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
9. WALNUT BOULEVARD

Item	Description	Quantity	Unit	Unit Price	Amount
	WALNUT BOULEVARD				
1	Walnut Acres Mobile Home Park Financial Contribution to Walnut Boulevard Frontage Improvements	1	LS	$ 18,421	$ 18,421
	SUBTOTAL ASSESSMENT COST				**$ 18,421**

Estimate source: City of Brentwood

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
11. PREPAID ROADWAY FEES

Item	Description	Quantity	Unit	Unit Price	Amount
	PREPAID ROADWAY FEES				
1	Pinn Brothers "Marseilles" (Less than 3,000 SF lots) TSM 8729	165	SFR	$ 4,000	$ 660,000
2	Pinn Brothers "Marseilles" (3,000-5,999SF Lot) TSM 8729	210	SFR	$ 4,000	$ 840,000
3	Pinn Brothers "Marseilles" (6,000 + SF Lots) TSM 8729	78	SFR	$ 4,000	$ 312,000
	SUBTOTAL ASSESSMENT				**$ 1,812,000**

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
12. PREPAID WATER FEES

Item	Description	Quantity	Unit	Unit Price	Amount
	PREPAID WATER FEES				
1	Pinn Brothers "Marseilles" (Less than 3,000 SF Lot) TSM 8729	165	SFR	$ 4,000	$ 660,000
2	Pinn Brothers "Marseilles" (3,000-5,999SF Lot) TSM 8729	210	SFR	$ 4,000	$ 840,000
3	Pinn Brothers "Marseilles" (6,000 + SF Lots) TSM 8729	78	SFR	$ 4,000	$ 312,000
4	D.R. Horton "Castello Property" TSM 8854	108	SFR	$ 4,252	$ 459,175
5	Meritage Homes "Preserve III" TSM 8875	84	SFR	$ 1,100	$ 92,400
6	Pringle "Ashford Park II" TSM 8763.	11	SFR	$ 4,252	$ 46,768
7	Goldsby, APN 016-080-017	1	SFR	$ 4,252	$ 4,252
8	Dabill, APN 016-080-022	1	SFR	$ 4,252	$ 4,252
9	T. Biglow, APN 016-080-026	1	SFR	$ 4,252	$ 4,252
10	B. Biglow, APN 016-080-027	1	SFR	$ 4,252	$ 4,252
11	Maselli, APN 016-080-029	1	SFR	$ 4,252	$ 4,252
12	Mederos MS 350-05, APN 016-100-010	3	SFR	$ 4,252	$ 12,756
13	Kalinowski, APN 016-100-017	1	SFR	$ 4,252	$ 4,252
14	Jensen, APN 016-100-019	1	SFR	$ 4,252	$ 4,252
15	Galey, APN 016-100-021	1	SFR	$ 4,252	$ 4,252
16	Troy, APN 016-240-001	1	SFR	$ 4,252	$ 4,252
17	Gaudinier, APN 016-240-002	1	SFR	$ 4,252	$ 4,252
18	Tague, APN 016-240-003	1	SFR	$ 4,252	$ 4,252
19	Griffin, APN 016-250-001	1	SFR	$ 4,252	$ 4,252
20	Barr, APN 016-250-002	1	SFR	$ 4,252	$ 4,252
	SUBTOTAL ASSESSMENT				**$ 2,478,375**

Notes:
City Verified Ownership and Title for Individual Participants (Item 7- 20) April 29, 2005

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
13. PREPAID WASTEWATER FEES

Item	Description	Quantity	Unit	Unit Price	Amount
	PREPAID WASTEWATER FEES				
1	Pinn Brothers "Marseilles" (Less than 3,000 SF Lot) TSM 8729	165	SFR[1]	$ 3,000	$ 495,000
2	Pinn Brothers "Marseilles" (3,000-5,999SF Lot) TSM 8729	210	SFR	$ 3,000	$ 630,000
3	Pinn Brothers "Marseilles" (6,000 + SF Lots) TSM 8729	78	SFR	$ 3,000	$ 234,000
4	D.R. Horton "Castello Property" TSM 8854	108	SFR	$ 3,640	$ 393,149
5	Meritage Homes "Preserve III" TSM 8875	84	SFR	$ 3,500	$ 294,000
6	Pringle "Ashford Park II" TSM 8763.	11	SFR	$ 3,640	$ 40,043
7	Goldsby, APN 016-080-017	1	SFR	$ 3,640	$ 3,640
8	Dabill, APN 016-080-022	1	SFR	$ 3,640	$ 3,640
9	T. Biglow, APN 016-080-026	1	SFR	$ 3,640	$ 3,640
10	B. Biglow, APN 016-080-027	1	SFR	$ 3,640	$ 3,640
11	Maselli, APN 016-080-029	1	SFR	$ 3,640	$ 3,640
12	Mederos MS 350-05, APN 016-100-010	3	SFR	$ 3,640	$ 10,920
13	Kalinowski, APN 016-100-017	1	SFR	$ 3,640	$ 3,640
14	Jensen, APN 016-100-019	1	SFR	$ 3,640	$ 3,640
15	Galey, APN 016-100-021	1	SFR	$ 3,640	$ 3,640
16	Troy, APN 016-240-001	1	SFR	$ 3,640	$ 3,640
17	Gaudinier, APN 016-240-002	1	SFR	$ 3,640	$ 3,640
18	Tague, APN 016-240-003	1	SFR	$ 3,640	$ 3,640
19	Griffin, APN 016-250-001	1	SFR	$ 3,640	$ 3,640
20	Barr, APN 016-250-002	1	SFR	$ 3,640	$ 3,640
	SUBTOTAL ASSESSMENT				**$ 2,144,432**

Notes:
City Verified Ownership and Title for Individual Participants (Item 7- 20) April 29, 2005

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
14. PREPAID PARK AND TRAILS FACILITIES FEE

Item	Description	Quantity	Unit	Unit Price	Amount
	PREPAID PARK AND TRAILS FACILITIES FEE				
1	Pringle "Ashford Park II" TSM 8763	11	SFR	$ 7,068	$ 77,747
	SUBTOTAL ASSESSMENT				**$ 77,747**

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
15. PREPAID INFRASTRUCTURE FEE

Item	Description	Quantity	Unit	Unit Price	Amount
	PREPAID INFRASTRUCTURE FEE				
1	Trilogy Vineyards LLC "Vineyards at Marsh Creek" TSM 8796	1016	SFR	$ 1,594.49	$ 1,620,000
	SUBTOTAL ASSESSMENT				**$ 1,620,000**

Note:

Pursuant to Exhibit D of the Development Agreement for the overall project, the Infrastructure Fees for the first 200 of 1,100 Active Adult Units are "free". The prepayment in this district represents 900 (which is 1,100 minus 200) times $1,800 (the Balance Infrastructure Fee), spread over the total 1,016 Active Adult Single Family Units.

These "Infrastructure Fees" are a combination of Developer Fee Program fees.

EXHIBIT C
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ENGINEER'S PRELIMINARY COST ESTIMATE
SUMMARY

Item	Description	Amount
	Item Number corresponds to CIFP Table (see following page). Please refer to this table for further information.	
1A	Fairview Avenue (D.R. Horton Improvement)	$ 1,246,656
1B	Fairview Avenue (Trilogy Vineyards LLC Improvement)	$ 9,297,120
2	John Muir Parkway	$ 2,734,120
3	Concord Avenue and Concord Avenue Realignment	$ 1,290,860
4	Water Facilities	$ 6,861,000
5	Wastewater Faculties	$ 528,560
6	Sand Creek Road (Pringle Improvement)	$ 49,227
7	O'Hara Avenue	$ 1,246,140
8	Central Boulevard	$ 3,357,150
9	Walnut Boulevard	$ 18,421
10	*Subtotal (1 through 9)*	*$ 26,629,254*
11	Prepaid Roadway Fee	$ 1,812,000
12	Prepaid Water Fee	$ 2,478,375
13	Prepaid Wastewater Fee	$ 2,144,432
14	Prepaid Parks and Trails Fee	$ 77,747
15	Prepaid Infrastructure Fee	$ 1,620,000
16	*Subtotal (11 through 15)*	*$ 8,132,554*
17	**Total Cost (10 + 16)**	**$ 34,761,808**
18	Bond Counsel	$ 452,521
19	Disclosure Counsel	$ 164,553
20	Bond Printing	$ 82,276
21	Registrar and Paying Agent	$ 41,138
22	Appraisals	$ 82,276
23	Assessment Engineer	$ 617,074
24	Bond Discount	$ 822,765
25	Bond Reserve Fund	$ 3,496,750
26	City Administration Fee	$ 617,074
27	Capitalized Interest	$ -
28	*Subtotal Bond Issuance Costs (18 through 27)*	*$ 6,376,427*
29	**Total Assessment (17 + 28)**	**$ 41,138,235**

CIFP 2005-1 / AD 2005-1
BRENTWOOD, CALIFORNIA

Carlson, Barbee & Gibson, Inc.

Single Family Residential Projects

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8729 Pinn Brothers Marseilles-Small Lots 165 Units	SUBD 8729 Pinn Brothers Marseilles-Medium Lots 210 Units	SUBD 8729 Pinn Brothers Marseilles - Large Lots 78 Units	SUBD 8854 DR Horton Castello Property 108 Units	SUBD 8875 Meritage Homes Preserve III 84 Units	SUBD 8763 The Mark Pringle Co. Ashford Park II 11 Units	SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 128 Executive Units	SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 4 Winery Units
	ACQUISITION ITEMS								
1	Fairview Avenue (1A &1B)	$0	$0	$0	$1,246,656	$0	$0	$1,126,400	$35,200
2	John Muir Parkway	$0	$0	$0	$0	$0	$0	$230,400	$7,200
3	Concord Avenue and Concord Avenue Realignment	$0	$0	$0	$0	$0	$0	$115,200	$3,600
4	Water Facilities	$0	$0	$0	$0	$0	$0	$640,000	$20,000
5	Wastewater Facilities	$0	$0	$0	$0	$0	$0	$51,200	$1,600
6	Sand Creek Road	$0	$0	$0	$0	$0	$49,227	$0	$0
7	O'Hara Avenue	$0	$0	$0	$0	$1,246,140	$0	$0	$0
8	Central Boulevard	$973,500	$1,593,900	$789,750	$0	$0	$0	$0	$0
9	Walnut Boulevard	$0	$0	$0	$0	$0	$0	$0	$0
10	**SUBTOTAL (1-9)**	**$973,500**	**$1,593,900**	**$789,750**	**$1,246,656**	**$1,246,140**	**$49,227**	**$2,163,200**	**$67,600**
	PREPAID FEES								
11	Prepaid Roadway Fee	$660,000	$840,000	$312,000	$0	$0	$0	$0	$0
12	Prepaid Water Facilities Fee	$660,000	$840,000	$312,000	$459,175	$92,400	$46,768	$0	$0
13	Prepaid Wastewater Facilities Fee	$495,000	$630,000	$234,000	$393,149	$294,000	$40,043	$0	$0
14	Prepaid Parks & Trails Fee	$0	$0	$0	$0	$0	$77,747	$0	$0
15	Prepaid Infrastructure Fees	$0	$0	$0	$0	$0	$0	$0	$0
16	**SUBTOTAL (11 through 15)**	**$1,815,000**	**$2,310,000**	**$858,000**	**$852,324**	**$386,400**	**$164,558**	**$0**	**$0**
17	**TOTAL COST (10 + 16)**	**$2,788,500**	**$3,903,900**	**$1,647,750**	**$2,098,980**	**$1,632,540**	**$213,785**	**$2,163,200**	**$67,600**
	BOND ISSUANCE COSTS								
18	Bond Counsel (1.1%)	$36,300	$50,820	$21,450	$27,324	$21,252	$2,783	$28,160	$880
19	Disclosure Counsel (0.4%)	$13,200	$18,480	$7,800	$9,936	$7,728	$1,012	$10,240	$320
20	Bond Printing (0.2%)	$6,600	$9,240	$3,900	$4,968	$3,864	$506	$5,120	$160
21	Registrar and Paying Agent (0.1%)	$3,300	$4,620	$1,950	$2,484	$1,932	$253	$2,560	$80
22	Appraisals (0.2%)	$6,600	$9,240	$3,900	$4,968	$3,864	$506	$5,120	$160
23	Assessment Engineer (1.5%)	$49,500	$69,300	$29,250	$37,260	$28,980	$3,795	$38,400	$1,200
24	Bond Discount (2%)	$66,000	$92,400	$39,000	$49,680	$38,640	$5,060	$51,200	$1,600
25	Bond Reserve Fund (8.5%)	$280,500	$392,700	$165,750	$211,140	$164,220	$21,505	$217,600	$6,800
26	City Administration Fee (1.5%)	$49,500	$69,300	$29,250	$37,260	$28,980	$3,795	$38,400	$1,200
27	Capitalized Interest (0%)	$0	$0	$0	$0	$0	$0	$0	$0
28	**Subtotal Bond Issuance Costs (18 to 27)**	**$511,500**	**$716,100**	**$302,250**	**$385,020**	**$299,460**	**$39,215**	**$396,800**	**$12,400**
29	**Total Assessment (17+28)**	**$3,300,000**	**$4,620,000**	**$1,950,000**	**$2,484,000**	**$1,932,000**	**$253,000**	**$2,560,000**	**$80,000**
30	Assessment Per Unit	$20,000 (per unit)	$22,000 (per unit)	$25,000 (per unit)	$23,000 (per unit)	$23,000 (per unit)	$23,000 (per unit)	$20,000 (per unit)	$20,000 (per unit)

B-23

CIFP 2005-1 / AD 2005-1
BRENTWOOD, CALIFORNIA

Carlson, Barbee & Gibson, Inc.

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	*Active Adult Residential Projects* SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 1,016 Active Adult Units	SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 84 Active Adult Duet Units	*"Other Acres"* Walnut Acres Mobile Home Park 012-170-005 11.35 Acres	*"Individual Landowners" (Title and Ownership Verified by the City of Brentwood, April 29, 2005)* Goldsby 440 Lone Oak Court 016-080-017 1 Unit	Dabill 540 Saddle Creek Court 016-080-022 1 Unit	Biglow, T. 534 Saddle Creek Court 016-080-026 1 Unit	Biglow, B. 530 Saddle Creek Court 016-080-027 1 Unit	Maselli 520 Saddle Creek Court 016-080-029 1 Unit	Mederos 601 Gracie Lane 016-100-010 3 Units
	ACQUISITION ITEMS									
1	Fairview Avenue (1A &1B)	$7,950,720	$184,800	$0	$0	$0	$0	$0	$0	$0
2	John Muir Parkway	$2,458,720	$37,800	$0	$0	$0	$0	$0	$0	$0
3	Concord Avenue and Concord Avenue Realignment	$1,153,160	$18,900	$0	$0	$0	$0	$0	$0	$0
4	Water Facilities	$6,096,000	$105,000	$0	$0	$0	$0	$0	$0	$0
5	Wastewater Facilities	$467,360	$8,400	$0	$0	$0	$0	$0	$0	$0
6	Sand Creek Road	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	O'Hara Avenue	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	Central Boulevard	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	Walnut Boulevard	$0	$0	$18,421	$0	$0	$0	$0	$0	$0
10	**SUBTOTAL (1-9)**	**$18,125,960**	**$354,900**	**$18,421**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	PREPAID FEES									
11	Prepaid Roadway Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0
12	Prepaid Water Facilities Fee	$0	$0	$0	$4,252	$4,252	$4,252	$4,252	$4,252	$12,756
13	Prepaid Wastewater Facilities Fee	$0	$0	$0	$3,640	$3,640	$3,640	$3,640	$3,640	$10,920
14	Prepaid Parks & Trails Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	Prepaid Infrastructure Fees	$1,620,000	$0	$0	$0	$0	$0	$0	$0	$0
16	**SUBTOTAL (11 through 15)**	**$0**	**$0**	**$0**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$23,676**
17	**TOTAL COST (10 + 16)**	**$19,745,960**	**$354,900**	**$18,421**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$7,892**	**$23,676**
	BOND ISSUANCE COSTS									
18	Bond Counsel (1.1%)	$257,048	$4,620	$240	$103	$103	$103	$103	$103	$308
19	Disclosure Counsel (0.4%)	$93,472	$1,680	$87	$37	$37	$37	$37	$37	$112
20	Bond Printing (0.2%)	$46,736	$840	$44	$19	$19	$19	$19	$19	$56
21	Registrar and Paying Agent (0.1%)	$23,368	$420	$22	$9	$9	$9	$9	$9	$28
22	Appraisals (0.2%)	$46,736	$840	$44	$19	$19	$19	$19	$19	$56
23	Assessment Engineer (1.5%)	$350,520	$6,300	$327	$140	$140	$140	$140	$140	$420
24	Bond Discount (2%)	$467,360	$8,400	$436	$187	$187	$187	$187	$187	$560
25	Bond Reserve Fund (8.5%)	$1,986,280	$35,700	$1,853	$794	$794	$794	$794	$794	$2,382
26	City Administration Fee (1.5%)	$350,520	$6,300	$327	$140	$140	$140	$140	$140	$420
27	Capitalized Interest (0%)	$0	$0	$0	$0	$0	$0	$0	$0	$0
28	**Subtotal Bond Issuance Costs (18 to 27)**	**$3,622,040**	**$65,100**	**$3,379**	**$1,448**	**$1,448**	**$1,448**	**$1,448**	**$1,448**	**$4,344**
29	**Total Assessment (17+28)**	**$23,368,000**	**$420,000**	**$21,800**	**$9,340**	**$9,340**	**$9,340**	**$9,340**	**$9,340**	**$28,020**
30	Assessment Per Unit	$23,000 (per unit)	$5,000 (per unit)	$1,921 (per acre)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)

CFD 2005-1 AD 2005-1
BRENTWOOD, CALIFORNIA

Carlson, Barbee & Gibson, Inc.
CALIFORNIA • NEVADA • ARIZONA

July 2005 Final Engineer's Report

		Kalinowski 571 Creek Lane 016-100-017 1 Unit	Jensen 1721 Lone Oak Road 016-100-019 1 Unit	Galey 1681 Lone Oak Road 016-100-021 1 Unit	Troy 541 Saddle Creek Court 016-240-001 1 Unit	Gaudinier 531 Saddle Creek Court 016-240-002 1 Unit	Tague 521 Saddle Creek Court 016-240-003 1 Unit	Griffin 441 Lone Oak Court 016-250-001 1 Unit	Barr 431 Lone Oak Court 016-250-002 1 Unit	TOTAL Dwelling Units: 804 / 1,016 / 84 / 11.35	SFR / ASR / Dwel/ASR / Acres
	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS										
1	**ACQUISITION ITEMS**	$0	$0	$0	$0	$0	$0	$0	$0		$10,543,776
2	Fairview Avenue (1A & 1B)	$0	$0	$0	$0	$0	$0	$0	$0		$2,734,120
3	John Muir Parkway										
4	Concord Avenue and Concord Avenue Realignment	$0	$0	$0	$0	$0	$0	$0	$0		$1,290,860
5	Water Facilities	$0	$0	$0	$0	$0	$0	$0	$0		$6,861,000
6	Wastewater Facilities	$0	$0	$0	$0	$0	$0	$0	$0		$528,560
7	Sand Creek Road	$0	$0	$0	$0	$0	$0	$0	$0		$49,227
8	O'Hara Avenue	$0	$0	$0	$0	$0	$0	$0	$0		$1,266,140
9	Central Boulevard	$0	$0	$0	$0	$0	$0	$0	$0		$3,357,150
10	Walnut Boulevard	$0	$0	$0	$0	$0	$0	$0	$0		$18,421
	SUBTOTAL (1-9)	$0	$0	$0	$0	$0	$0	$0	$0		$26,629,254
	PREPAID FEES										
11	Prepaid Roadway Fee	$0	$0	$0	$0	$0	$0	$0	$0		$1,812,000
12	Prepaid Water Facilities Fee	$4,252	$4,252	$4,252	$4,252	$4,252	$4,252	$4,252	$4,252		$2,478,375
13	Prepaid Wastewater Facilities Fee	$3,640	$3,640	$3,640	$3,640	$3,640	$3,640	$3,640	$3,640		$2,144,432
14	Prepaid Parks & Trails Fee	$0	$0	$0	$0	$0	$0	$0	$0		$77,747
15	Prepaid Infrastructure Fees	$0	$0	$0	$0	$0	$0	$0	$0		$1,620,000
16	**SUBTOTAL (11 through 15)**	$7,892	$7,892	$7,892	$7,892	$7,892	$7,892	$7,892	$7,892		$8,132,554
17	**TOTAL COST (10 + 16)**	$7,892	$7,892	$7,892	$7,892	$7,892	$7,892	$7,892	$7,892		$34,761,808
	BOND ISSUANCE COSTS										
18	Bond Counsel (1.1%)	$103	$103	$103	$103	$103	$103	$103	$103		$452,521
19	Disclosure Counsel (0.4%)	$37	$37	$37	$37	$37	$37	$37	$37		$164,553
20	Bond Printing (0.2%)	$19	$19	$19	$19	$19	$19	$19	$19		$82,276
21	Registrar and Paying Agent (0.1%)	$9	$9	$9	$9	$9	$9	$9	$9		$41,138
22	Appraisals (0.2%)	$19	$19	$19	$19	$19	$19	$19	$19		$82,276
23	Assessment Engineer (1.5%)	$140	$140	$140	$140	$140	$140	$140	$140		$617,074
24	Bond Discount (2%)	$187	$187	$187	$187	$187	$187	$187	$187		$822,765
25	Bond Reserve Fund (8.5%)	$794	$794	$794	$794	$794	$794	$794	$794		$3,496,750
26	City Administration Fee (1.5%)	$140	$140	$140	$140	$140	$140	$140	$140		$617,074
27	Capitalized Interest (0%)	$0	$0	$0	$0	$0	$0	$0	$0		$0
28	**Subtotal Bond Issuance Costs (18 to 27)**	$1,448	$1,448	$1,448	$1,448	$1,448	$1,448	$1,448	$1,448		$6,376,427
29	**Total Assessment (17+28)**	$9,340	$9,340	$9,340	$9,340	$9,340	$9,340	$9,340	$9,340		$41,138,235
30	Assessment Per Unit	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)	$9,340 (per unit)		

EXHIBIT D
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA
ASSESSMENT ROLL

Assessment Number	*Assessor's Parcel Number*	*Owner*		*Owner Assessment*	
		Pinn Brothers Construction Incorporated, "Marseilles" Tentative Subdivision Map 8729			
1	017-131-025	PBP Limited Partners 1475 Saratoga Avenue, Suite 250 San Jose, Ca 95129-4952	10	SFR Units at $25,000/SFR (See Exhibit E.a.)	$250,000
		(and)	51	SFR Units at $22,000/SFR (See Exhibit E.a.)	$1,122,000
		(and)	29	SFR Units at $20,000/SFR (See Exhibit E.a.)	$580,000
2	017-140-002	PBP Limited Partners 1475 Saratoga Avenue, Suite 250 San Jose, Ca 95129-4952	2	SFR Units at $25,000/SFR (See Exhibit E.a.)	$50,000
3	017-140-003	PBP Limited Partners 1475 Saratoga Avenue, Suite 250 San Jose, Ca 95129-4952	1	SFR Units at $25,000/SFR (See Exhibit E.a.)	$25,000
4	017-140-005	PBP Limited Partners 1475 Saratoga Avenue, Suite 250 San Jose, Ca 95129-4952	9	SFR Units at $25,000/SFR (See Exhibit E.a.)	$225,000
		(and)	1	SFR Units at $22,000/SFR (See Exhibit E.a.)	$22,000
		(and)	1	SFR Units at $20,000/SFR (See Exhibit E.a.)	$20,000
5	017-140-026	PBP Limited Partners 1475 Saratoga Avenue, Suite 250 San Jose, Ca 95129-4952	21	SFR Units at $25,000/SFR (See Exhibit E.a.)	$525,000
		(and)	2	SFR Units at $22,000/SFR (See Exhibit E.a.)	$44,000
6	017-140-027	PBP Limited Partners 1475 Saratoga Avenue, Suite 250 San Jose, Ca 95129-4952	9	SFR Units at $25,000/SFR (See Exhibit E.a.)	$225,000

EXHIBIT D
ASSESSMENT ROLL

Assessment Number	Assessor's Parcel Number	Owner		Owner Assessment	
	Pinn Brothers Construction Incorporated, continued.				
7	017-160-003	PBP Limited Partners 1475 Saratoga Avenue, Suite 250 San Jose, Ca 95129-4952	6	SFR Units at $25,000/SFR (See Exhibit E.a.)	$150,000
		(and)	33	SFR Units at $22,000/SFR (See Exhibit E.a.)	$726,000
		(and)	1	SFR Units at $20,000/SFR (See Exhibit E.a.)	$20,000
8	017-170-005	PBP Limited Partners 1475 Saratoga Avenue, Suite 250 San Jose, Ca 95129-4952	20	SFR Units at $25,000/SFR (See Exhibit E.a.)	$500,000
		(and)	123	SFR Units at $22,000/SFR (See Exhibit E.a.)	$2,706,000
		(and)	134	SFR Units at $20,000/SFR (See Exhibit E.a.)	$2,680,000
9		(Left Intentionally Blank)			
	D.R. Horton America's Builder, "Castello Property" Tentative Subdivision Map 8854				
10	012-020-012	Western Pacific Housing, Inc. 1210 Central Boulevard Brentwood, CA 94513	108	SFR Units at $23,000/SFR (See Exhibit E.c.)	$2,484,000

EXHIBIT D
ASSESSMENT ROLL

Assessment Number	Assessor's Parcel Number	Owner		Owner Assessment	
	Meritage Homes of Northern California Inc., "Preserve III" Tentative Subdivision Map 8875				
11	018-090-011	Harold & Brenda Dominguez 3325 O'Hara Avenue Brentwood, CA 94513	10	SFR Units at $23,000/SFR (See Exhibit E.d.)	$230,000
12	018-090-013	Robert Najera Jr. 3455 O'Hara Avenue Brentwood, CA 94513	14	SFR Units at $23,000/SFR (See Exhibit E.d.)	$322,000
13	018-090-019	Murray D. & Kimberly A. Hoyle 3225 O'Hara Avenue Brentwood, CA 94513	9	SFR Units at $23,000/SFR (See Exhibit E.d.)	$207,000
14	018-110-006	Phyllis Drummond 3300 O'Hara Avenue Brentwood, CA 94513-5417	14	SFR Units at $23,000/SFR (See Exhibit E.d.)	$322,000
15	018-110-007	Burl & Rhea Blalock Robert & Terese Knight 3023 Barmouth Drive Antioch, CA 94509-5160	37	SFR Units at $23,000/SFR (See Exhibit E.d.)	$851,000
	The Mark Pringle Company, "Ashford Park II" Final Map 8763				
16-1	019-100-017por	Ashford Park II Investors, LLC 90 El Camino Real Burlingame, CA 94010	1	SFR Unit at $23,000/SFR (See Exhibit E.e.)	$23,000
16-2	019-100-017por	(same)	1	(same)	$23,000
16-3	019-100-017por	(same)	1	(same)	$23,000
16-4	019-100-017por	(same)	1	(same)	$23,000
16-5	019-100-017por	(same)	1	(same)	$23,000
16-6	019-100-017por	(same)	1	(same)	$23,000
16-7	019-100-017por	(same)	1	(same)	$23,000
16-8	019-100-017por	(same)	1	(same)	$23,000
16-9	019-100-017por	(same)	1	(same)	$23,000
16-10	019-100-017por	(same)	1	(same)	$23,000
16-11	019-100-017por	(same)	1	(same)	$23,000

EXHIBIT D
ASSESSMENT ROLL

Assessment Number	Assessor's Parcel Number	Owner		Owner Assessment	
	Triology Vineyards LLC, "Vineyards at Marsh Creek" Tentative Subdivision Map 8796				
17	007-380-001	Trilogy Vineyards, LLC 1881 Concord Avenue Brentwood, CA 94513	961	ASR Units at $23,000/ASR (See Exhibit E.f.)	$22,103,000
		(and)	82	Duet ASR Units at $5,000/ASR (See Exhibit E.f.)	$410,000
		(and)	132	Executive and Winery Units at $20,000/SFR (See Exhibit E.f.)	$2,640,000
18	007-380-016	Trilogy Vineyards, LLC 1881 Concord Avenue Brentwood, CA 94513	55	ASR Units at $23,000/ASR (See Exhibit E.f.)	$1,265,000
		(and)	2	Duet ASR Units at $5,000/ASR (See Exhibit E.f.)	$10,000
	"Individual Landowners" (Ownership and Title verified by the City of Brentwood, April 29, 2005)				
19	012-170-005	Walnut Acres Mobile Home Park, Inc 3660 Walnut Boulevard Brentwood, Ca 94513-1548	11.35	Acres at approx. $1,921/Acre	$21,800
20	016-080-017	William Goldsby & Mary Wheelland-Goldsby 440 Lone Oak Court Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
21	016-080-022	Timothy & Tina Dabill 540 Saddle Creek Court Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
22	016-080-026	Timothy & Rosemary Biglow 534 Saddle Creek Court Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
23	016-080-027	Barbara Biglow 530 Saddle Creek Court Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340

EXHIBIT D
ASSESSMENT ROLL

Assessment Number	Assessor's Parcel Number	Owner		Owner Assessment	
	"Individual Landowners", continued.				
24	016-080-029	Ronald & Wanda Maselli 520 Saddle Creek Court Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
25	016-100-010	Robert & Linda Mederos 601 Gracie Lane Brentwood, Ca 94513	3	SFR Units at $9,340/SFR (See Exhibit E.g.)	$28,020
26	016-100-017	Stanley & Marie Kalinowski 571 Gracie Lane Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
27	016-100-019	Elwood R. Jensen 1721 Lone Oak Road Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
28	016-100-021	Gerald & Lucinda Galey 1681 Lone Oak Road Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
29	016-240-001	James P. & Karen Troy 541 Saddle Creek Court Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
30	016-240-002	Raymond & Hazel Gaudinier 531 Saddle Creek Court Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
31	016-240-003	John Michael & Cheryl J. Tague 521 Saddle Creek Court Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
32	016-250-001	William & Natalie Griffin 441 Lone Oak Court Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
33	016-250-002	Stephen & Kathleen Barr 431 Lone Oak Court Brentwood, Ca 94513	1	SFR Unit at $9,340/SFR	$9,340
		Total Assessment:			**$41,138,240**

(The Total Assessment Roll differs from the Assessment Table by $5.00 due to rounding.)

EXHIBIT E
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

METHOD OF ASSESSMENT

1 **FAIRVIEW AVENUE**
A portion of Fairview Avenue from Central Boulevard south to Balfour Road is being funded by D.R. Horton "Castello Property" TSM 8854 (referred to as "1A. Fairview Avenue" in this report). A second separate portion of Fairview Avenue from new Realigned Concord Avenue, south to Marsh Creek Road is being funded by Trilogy Vineyards LLC "Vineyards at Marsh Creek" TSM 8796 (referred to as "1B. Fairview Avenue" in this report).

2 **JOHN MUIR PARKWAY**
A portion of this improvement is being funded by Trilogy Vineyards LLC "Vineyards at Marsh Creek" TSM 8796.

3 **CONCORD AVENUE / REALIGNMENT**
A portion of this improvement is being funded by Trilogy Vineyards LLC "Vineyards at Marsh Creek" TSM 8796.

4 **WATER FACILITIES**
A portion of this improvement is being funded by Trilogy Vineyards LLC "Vineyards at Marsh Creek" TSM 8796.

5 **WASTEWATER FACILITIES**
A portion of this improvement is being funded by Trilogy Vineyards LLC "Vineyards at Marsh Creek" TSM 8796.

6 **SAND CREEK ROAD**
A portion of Sand Creek Road at the intersection of Fairview Avenue is being landscaped by Pringle's "Ashford Park II" TSM 8763.

7 **O'HARA AVENUE**
A portion of this improvement is being funded by Meritage "Preserve III" TSM 8875.

8 **CENTRAL BOULEVARD**
A portion of this improvement is being funded by Pinn Brothers "Marseilles" TSM 8729.

9 **WALNUT BOULEVARD**
Walnut Acres Mobile Home Park is funding it's portion of their frontage improvement obligation.

11. **Prepayment of Roadway Fees:**
Prepayment of City roadway facilities fees.
a) $ 4,000 /lot Pinn Brothers "Marseilles" (Small, Medium and Large Lots) TSM 8729.

EXHIBIT E
METHOD OF ASSESSMENT

12. **Prepayment of Water Facilities Fees:**
Prepayment of City water facilities fees.
a) $ 4,000 /lot Pinn Brothers "Marseilles" (Small, Medium and Large Lots) TSM 8729.
b) $ 4,251.62 /lot D.R. Horton "Castello Property" TSM 8854.
c) $ 1,100 /lot Meritage Homes "Preserve III" TSM 8875.
d) $ 4,251.62 /lot Pringle "Ashford Park II" FM 8763.
e) $ 4,252 /lot, Goldsby, APN 016-080-017
f) $ 4,252 /lot, Dabill's, APN 016-080-022
g) $ 4,252 /lot, T. Biglow, APN 016-080-026
h) $ 4,252 /lot,B. Biglow, APN 016-080-027
I) $ 4,252 /lot, Maselli, APN 016-080-029
j) $ 4,252 /lot, Mederos MS 350-05, APN 016-100-010
k) $ 4,252 /lot, Kalinowski, APN 016-100-017
l) $ 4,252 /lot, Jensen, APN 016-100-019
m) $ 4,252 /lot, Galey, APN 016-100-021
n) $ 4,252 /lot, Troy, APN 016-240-001
o) $ 4,252 /lot, Gaudinier, APN 016-240-002
p) $ 4,252 /lot, Tague, APN 016-240-003
q) $ 4,252 /lot, Griffin, APN 016-250-001
r) $ 4,252 /lot, Barr, APN 016-250-002

13. **Prepayment of Wastewater Facilities Fees:**
Prepayment of City wastewater facilities fees.
a) $ 3,000 /lot Pinn Brothers "Marseilles" (Small, Medium and Large Lots) TSM 8729.
b) $ 3,640.27 /lot D.R. Horton "Castello Property" TSM 8854.
c) $ 3,500 /lot Meritage Homes "Preserve III" TSM 8875.
d) $ 3,640.27 /lot Pringle "Ashford Park II" FM 8763.
e) $ 3,640 /lot, Goldsby, APN 016-080-017
f) $ 3,640 /lot, Dabill's, APN 016-080-022
g) $ 3,640 /lot, T. Biglow, APN 016-080-026
h) $ 3,640 /lot,B. Biglow, APN 016-080-027
I) $ 3,640 /lot, Maselli, APN 016-080-029
j) $ 3,640 /lot, Mederos MS 350-05, APN 016-100-010
k) $ 3,640 /lot, Kalinowski, APN 016-100-017
l) $ 3,640 /lot, Jensen, APN 016-100-019
m) $ 3,640 /lot, Galey, APN 016-100-021
n) $ 3,640 /lot, Troy, APN 016-240-001
o) $ 3,640 /lot, Gaudinier, APN 016-240-002
p) $ 3,640 /lot, Tague, APN 016-240-003
q) $ 3,640 /lot, Griffin, APN 016-250-001
r) $ 3,640 /lot, Barr, APN 016-250-002

14. **Prepayment of Parks & Trails Fees:**
Prepayment of City parks and trails facilities fees.
a) $ 7,067.92 /lot Pringle "Ashford Park II" FM 8763.

15. **Prepayment of Infrastructure Fees:**
Prepayment of City Infrastructure fees.
a) $ 1,594.49 /lot Trilogy Vineyards LLC "Vineyards at Marsh Creek" TSM 8796.

EXHIBIT E
ASSESSMENT DISTRICT NO. 2005-1
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 $20,000 per small lot (Less than 3,000 SF), a rate of $22,000 per medium lot (3,000-5,999 SF) and $25,000 per large lot (6,000 SF+), at the time the Final Map(s) is recorded for Pinn Brothers "Marseilles' Subdivision 8729. The proposed park parcels within the subdivision are not subject to assessment by these proceedings and do not receive any benefit from the proposed improvements and fees. In addition, the proposed Apartment Site, one Small Lot in Assessment No. 8 and one Medium Lot in Assessment No. 8 are not subject to assessment by these proceedings. The Apartment Site will fund it's share of the improvements through separate financing. The two lots in Assessment No. 8 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 Number	Proposed Parcel Assessment	Current APN	No. of Proposed Lots	Proposed Re-segregated Lien per Lot
1	$250,000	017-131-025	10	$ 25,000
same as above	$1,122,000	same as above	51	$ 22,000
same as above	$580,000	same as above	29	$ 20,000
2	$50,000	017-140-002	2	$ 25,000
3	$25,000	017-140-003	1	$ 25,000
4	$225,000	017-140-005	9	$ 25,000
same as above	$22,000	same as above	1	$ 22,000
same as above	$20,000	same as above	1	$ 20,000
5	$525,000	017-140-026	21	$ 25,000
same as above	$44,000	same as above	2	$ 22,000
6	$225,000	017-140-027	9	$ 25,000
7	$150,000	017-160-003	6	$ 25,000
same as above	$726,000	same as above	33	$ 22,000
same as above	$20,000	same as above	1	$ 20,000
8	$500,000	017-170-005	20	$ 25,000
same as above	$2,706,000	same as above	123	$ 22,000
same as above	$2,680,000	same as above	134	$ 20,000

b. (Left Intentionally Blank)

EXHIBIT E
METHOD OF ASSESSMENT

c. The following assessments will be re-segregated to the number of proposed market rate lots at a rate of $23,000 per lot, at the time the Final Map(s) is recorded for D.R. Horton "Castello Property"Subdivision 8854. The proposed park parcel within the subdivision is not subject to assessment by these proceedings and does not receive any benefit from the proposed improvements and fees. In addition, the Commercial Site at the Northeast corner of Balfour Road and Fairview Avenue, the fourplex units, and three duet units are not subject to assessment by these proceedings. The Commercial Site will fund it's share of the improvements through separate financing. Seven lots in Assessment No. 10 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 Number	Proposed Parcel Assessment	Current APN	No. of Proposed Lots	Proposed Re-segregated Lien per Lot
10	$2,484,000	012-020-012	108	$ 23,000

d. The following assessments will be re-segregated to the number of proposed lots at a rate of $23,000 per lot, at the time the Final Map(s) is recorded for Meritage Homes "Preserve III" Subdivision 8875. The proposed park parcel within the subdivision, the "Hoyle Remainder Parcel"(MS 359-05 in progress), the Dominguez Remainder Parcel" (MS 358-05 in progress), and the "Drummond Remainder Parcel" (MS 360-05 in progress) are not subject to assessment by these proceedings and do not receive any additional benefit from the proposed improvements and fees.

Proposed Parcel Assessment Number	Proposed Parcel Assessment	Current APN	No. of Proposed Lots	Proposed Re-segregated Lien per Lot
11	$230,000	018-090-011	10	$ 23,000
12	$322,000	018-090-013	14	$ 23,000
13	$207,000	018-090-019	9	$ 23,000
14	$322,000	018-110-006	14	$ 23,000
15	$851,000	018-110-007	37	$ 23,000

EXHIBIT E
METHOD OF ASSESSMENT

e. The following assessments are being segregated to the number of final mapped lots at a rate of $23,000 per lot. The Final Map has been recorded for Pringle "Ashford Park II" Subdivision 8763. The "Seko House Parcel" within the subdivision is not subject to assessment by these proceedings and does not receive any additional benefit from the proposed improvements and fees.

Proposed Parcel Assessment Number	Proposed Parcel Assessment	Current APN	No. of Proposed Lots	Proposed Re-segregated Lien per Lot
16-1	$23,000	019-100-017por	1	$ 23,000
16-2	$23,000	019-100-017por	1	$ 23,000
16-3	$23,000	019-100-017por	1	$ 23,000
16-4	$23,000	019-100-017por	1	$ 23,000
16-5	$23,000	019-100-017por	1	$ 23,000
16-6	$23,000	019-100-017por	1	$ 23,000
16-7	$23,000	019-100-017por	1	$ 23,000
16-8	$23,000	019-100-017por	1	$ 23,000
16-9	$23,000	019-100-017por	1	$ 23,000
16-10	$23,000	019-100-017por	1	$ 23,000
16-11	$23,000	019-100-017por	1	$ 23,000

f. The following assessments will be re-segregated to the number of proposed lots at a rate of $20,000 per Executive Lot and Winery Lot, $23,000 per Active Adult Lot, and $5,000 per Active Adult Duet Unit, at the time the Final Map(s) is recorded for Trilogy Vineyards LLC "Vineyards at Marsh Creek" Subdivision 8796. The proposed parks, open space, storm water detention basins, water facilites, and recreation parcels within the residential subdivision are not subject to assessment by these proceedings and do not receive any benefit from the proposed improvements and fees. In addition, the Commercial Site ("Village Center") located north of Fairview Avenue, and the Winery/Amphitheater Site south of Fairview Avenue, both in the southeastly portion of the Project Site, are not subject to assessment by these proceedings. The Commercial Site and the Winery/Amphitheater Site will fund their share of the improvements through separate financing.

Proposed Parcel Assessment Number	Proposed Parcel Assessment	Current APN	No. of Proposed Lots/Acres	Proposed Re-segregated Lien per Lot/Acre
17	$22,103,000	007-380-001	961	$ 23,000
same as above	$2,640,000	same as above	132	$ 20,000
same as above	$410,000	same as above	82	$ 5,000
18	$1,265,000	007-380-016	55	$ 23,000
same as above	$10,000	007-380-016	2	$ 5,000

g. The following assessments will be re-segregated to the number of proposed lots at a rate of $9,340 per lot, at the time the Parcel Map is recorded for Robert and Linda Mederos's MS 350-05.

Proposed Parcel Assessment Number	Proposed Parcel Assessment	Current APN	No. of Proposed Lots	Proposed Re-segregated Lien per Lot
25	$28,020	016-100-010	3	$ 9,340

EXHIBIT F
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

ASSESSMENT DIAGRAM

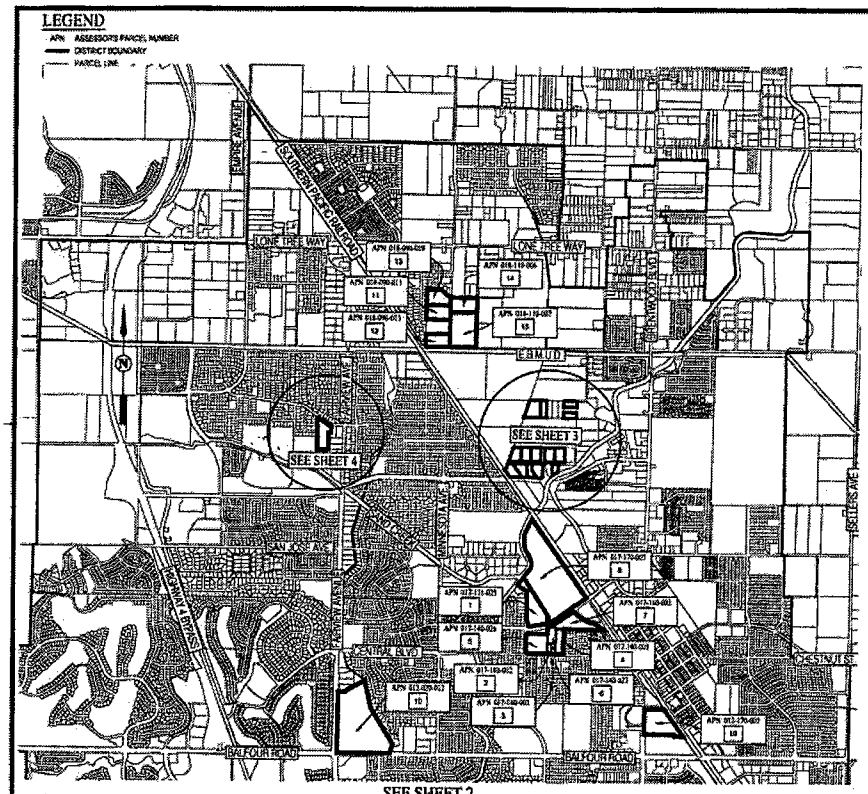

EXHIBIT F
ASSESSMENT DIAGRAM
ASSESSMENT DISTRICT NO. 2005-1

CITY OF BRENTWOOD
CONTRA COSTA COUNTY
STATE OF CALIFORNIA

CARLSON, BARBEE & GIBSON, INC.
CIVIL ENGINEERS • SURVEYORS • PLANNERS
SAN RAMON, CALIFORNIA
JULY 2005

"PARCELS ARE SHOWN ON THE AMENDED BOUNDARY MAP OF ASSESSMENT DISTRICT NO. 2005-1, CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA, WHICH MAP WAS RECORDED ON THE _____ DAY OF _____, 20____, IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ THEREOF IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA."
FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF BRENTWOOD, THIS _____ DAY OF _____, 20____.

_____
CYNTHIA GARCIA, INTERIM CITY CLERK
CITY OF BRENTWOOD
CONTRA COSTA COUNTY, CALIFORNIA

RECORDED IN THE OFFICE OF THE CITY ENGINEER THIS _____ DAY OF _____, 20____.

_____
BALWINDER S. GREWAL
CITY ENGINEER, CITY OF BRENTWOOD
CONTRA COSTA COUNTY, CALIFORNIA
AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL OF THE CITY OF BRENTWOOD ON THE LOTS, PIECES AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. SAID ASSESSMENT WAS LEVIED ON THE _____ DAY OF _____, 20____; SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE CITY ENGINEER OF THE CITY OF BRENTWOOD ON THE _____ DAY OF _____, 20____. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE CITY ENGINEER FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

_____
CYNTHIA GARCIA, INTERIM CITY CLERK
CITY OF BRENTWOOD
CONTRA COSTA COUNTY, CALIFORNIA

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

STEPHEN L. WEIR _____ SERIES NO. _____
COUNTY RECORDER

BY _____
DEPUTY COUNTY RECORDER

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SHEET 1 OF 4

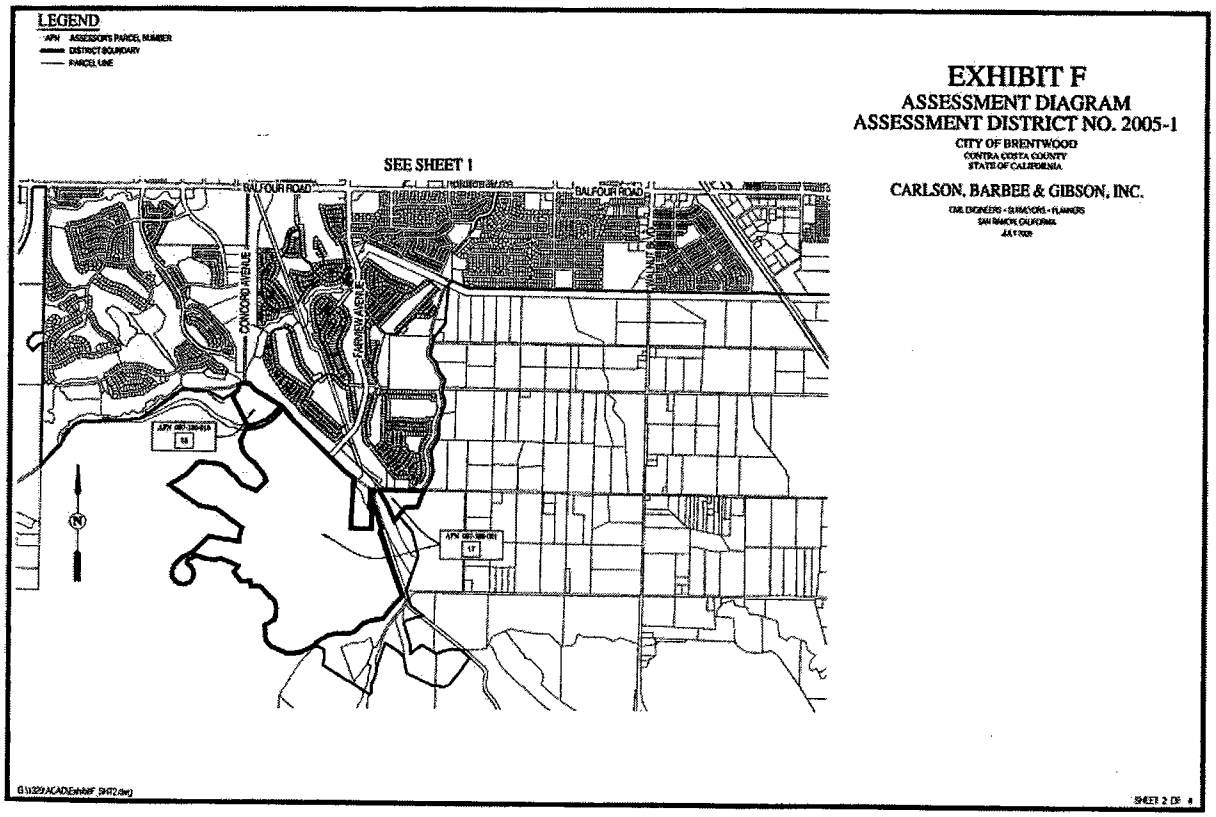

EXHIBIT F
ASSESSMENT DIAGRAM
ASSESSMENT DISTRICT NO. 2005-1

CITY OF BRENTWOOD
CONTRA COSTA COUNTY
STATE OF CALIFORNIA

CARLSON, BARBEE & GIBSON, INC.
CIVIL ENGINEERS • SURVEYORS • PLANNERS
SAN RAMON, CALIFORNIA
JULY 2005

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SHEET 2 OF 4

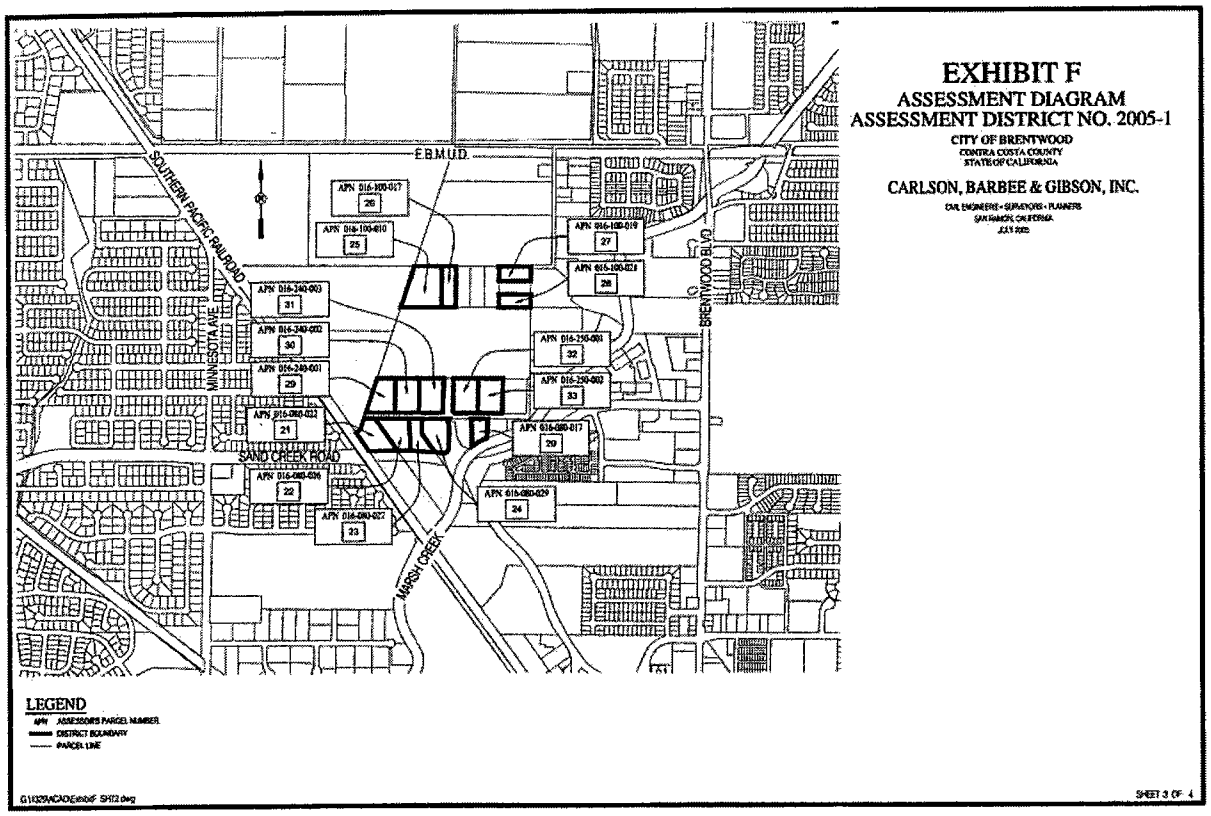


EXHIBIT F
ASSESSMENT DIAGRAM
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD
CONTRA COSTA COUNTY
STATE OF CALIFORNIA
CARLSON, BARBEE & GIBSON, INC.
CIVIL ENGINEERS • SURVEYORS • PLANNERS
SAN RAMON, CALIFORNIA
JULY 2005
EBMUD
SOUTHERN PACIFIC RAILROAD
MINNESOTA AVE
SAND CREEK ROAD
MARSH CREEK
BRENTWOOD BLVD
APN 016-100-017
26
APN 016-100-010
25
APN 016-100-019
27
APN 016-100-028
28
APN 016-240-003
31
APN 016-240-002
30
APN 016-240-001
29
APN 016-080-032
21
APN 016-080-036
22
APN 016-080-027
23
APN 016-250-001
32
APN 016-250-002
33
APN 016-080-017
20
APN 016-080-029
24
LEGEND
APN ASSESSOR'S PARCEL NUMBER
DISTRICT BOUNDARY
PARCEL LINE
SHEET 3 OF 4

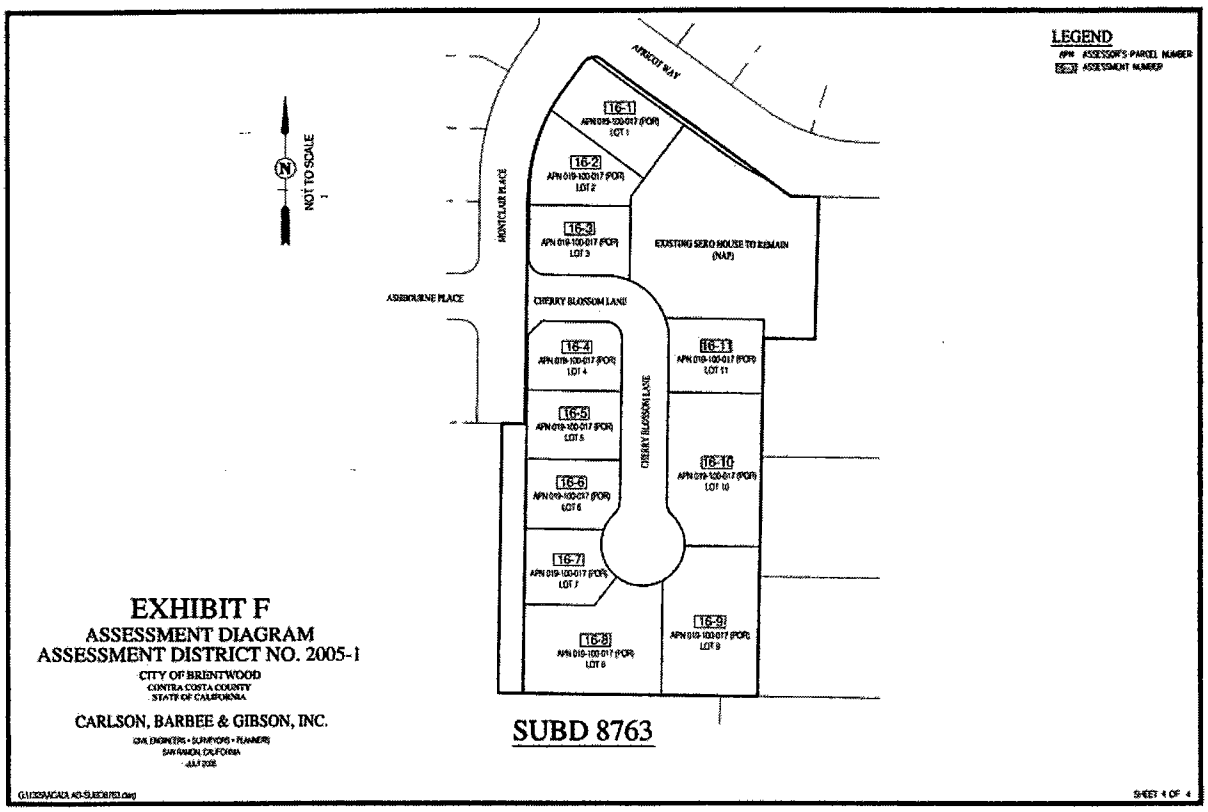

LEGEND
APN ASSESSOR'S PARCEL NUMBER
ASSESSMENT NUMBER
NOT TO SCALE
APRICOT WAY
MONTCLAIR PLACE
ASHBOURNE PLACE
CHERRY BLOSSOM LANE
EXISTING SERO HOUSE TO REMAIN (NAP)
16-1
APN 019-100-017 (POR)
LOT 1
16-2
APN 019-100-017 (POR)
LOT 2
16-3
APN 019-100-017 (POR)
LOT 3
16-4
APN 019-100-017 (POR)
LOT 4
16-5
APN 019-100-017 (POR)
LOT 5
16-6
APN 019-100-017 (POR)
LOT 6
16-7
APN 019-100-017 (POR)
LOT 7
16-8
APN 019-100-017 (POR)
LOT 8
16-9
APN 019-100-017 (POR)
LOT 9
16-10
APN 019-100-017 (POR)
LOT 10
16-11
APN 019-100-017 (POR)
LOT 11
EXHIBIT F
ASSESSMENT DIAGRAM
ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD
CONTRA COSTA COUNTY
STATE OF CALIFORNIA
CARLSON, BARBEE & GIBSON, INC.
CIVIL ENGINEERS • SURVEYORS • PLANNERS
SAN RAMON, CALIFORNIA
JULY 2005
SUBD 8763
SHEET 4 OF 4

EXHIBIT G
ASSESSMENT DISTRICT NO. 2005-1
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. 2005-1
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, is estimated to be $273,390,000. This aggregate Hypothetical Market Value is based upon the Complete Appraisal Self-Contained Report of Properties within Assessment District 2005-1, Brentwood California, prepared by Seevers Jordan Ziegenmeyer, June 17, 2005.

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 $ 41,180,240.

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. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

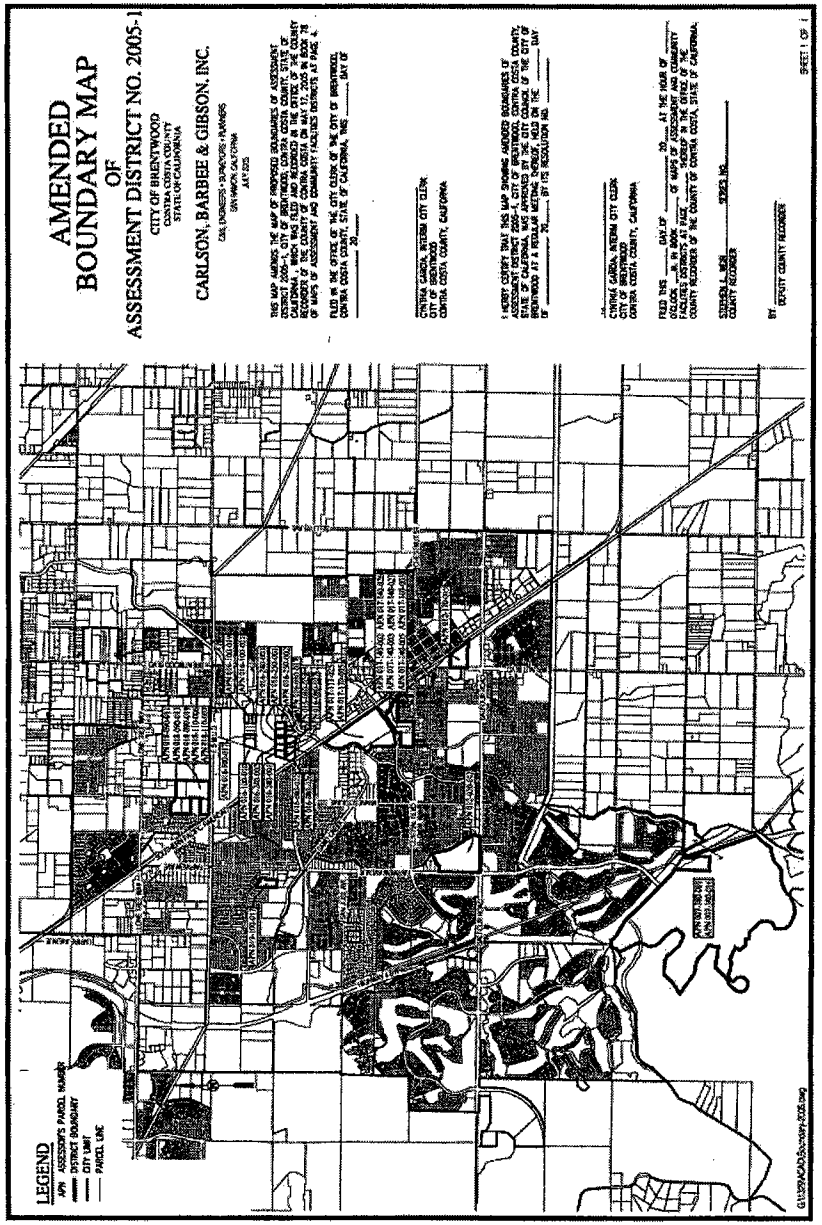
DESCRIPTION OF RIGHT-OF-WAY ACQUISITION

1. See Exhibit C, individual estimates.

ASSESSMENT DISTRICT NO. 2005-1
CITY OF BRENTWOOD, CONTRA COSTA COUNTY, CALIFORNIA

APPENDIX ITEMS

1.	**Amended Boundary Map**	(1 Sheet)
2.	**Individual Fee Credit Analysis**	(10 Pages)



CIFP 2005-1 / AD 2005-1
APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

April 21, 2005
Revised 7/1/05

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8729 Pinn Brothers Marseilles-Small Lots (Less than 3,000 SF) 165 Units
	ACQUISITION ITEMS	
1	Fairview Avenue	
2	John Muir Parkway	
3	Concord Avenue/Realignment	
4	Water Facilities	
5	Wastewater Facilities	
6	Sand Creek Road	
7	San Jose Avenue	
8	O'Hara Avenue	
9	Central Boulevard	$973,500
10	**SUBTOTAL (1-9)**	**$973,500**
	PREPAID FEES	
11	Prepaid Roadway Fee	$660,000
12	Prepaid Water Facilities Fee	$660,000
13	Prepaid Wastewater Facilities Fee	$495,000
14	Prepaid Parks & Trails Fee	$0
15	**SUBTOTAL (11 through 15)**	**$1,815,000**
16	**TOTAL COST (10 + 16)**	**$2,788,500**
	BOND ISSUANCE COSTS	
17	Bond Counsel (1.1%)	$36,300
18	Disclosure Counsel (0.4%)	$13,200
19	Bond Printing (0.2%)	$6,600
20	Registrar and Paying Agent (0.1%)	$3,300
21	Appraisals (0.2%)	$6,600
22	Assessment Engineer (1.5%)	$49,500
23	Bond Discount (2%)	$66,000
24	Bond Reserve Fund (8.5%)	$280,500
25	City Administration Fee (1.5%)	$49,500
26	Capitalized Interest (0%)	$0
27	**Subtotal Bond Issuance Costs (17 to 26)**	**$511,500**
28	**Total Assessment (16+27)**	**$3,300,000**
29	Assessment Per Unit	$20,000.00 (per unit)

CHECK	
TARGET:	$20,000
BOND COST CHECK:	$511,500
IMPROVEMENTS COST CHECK:	$2,788,500
NUMBER OF UNITS PROPOSED:	165

Local Obligation / Improvement Items:
Central Boulevard

				City Comments
Prepay PORTION Roadway Fee				
165	$10,646.32	$	1,756,642.80	($3,550,000) spread
Estimated Fee Credit:		$	(1,040,409.00)	over 165 units
total:		$	716,233.80	out of 563 total units
Portion in this district:				
165	$4,000.00	$	660,000.00	
Prepay PORTION Water Fee				
165	$4,251.62	$	701,517.30	
Estimated Fee Credit:		$	-	
total:		$	701,517.30	
Portion in this district:				
165	$4,000.00	$	660,000.00	
Prepay PORTION Wastewater Fee				
165	$3,640.27	$	600,644.55	
Estimated Fee Credit:		$	-	
total:		$	600,644.55	
Portion in this district:				
165	$3,000.00	$	495,000.00	
Prepay No Parks Fees				City Comments
165	$7,067.92	$	1,166,206.80	($2,202,000) spread
Estimated Fee Credit:		$	(645,346.00)	over 165 units
total:		$	520,860.80	out of 563 total units
Portion in this district:				
165	$0.00	$	-	
Total prepayment of fees:				
		$	**1,815,000.00**	

NOTES:
1. Fee Credits and Estimates were developed between the City of Brentwood and Pinn Brothers/RJA Engineers.
2. Pinn requested Assessment Increase to $20,000 in Final Report.
3. July 1, 2005: One Small Lot in Assessment No.8 is not subject to assessment by these proceedings. The Developer has agreed to pay the proportional Roadway, Water and Wastewater fees ($11,000/lot), and infrastructure benefit ($5,900/lot) for this lot in cash prior to Final Map approval and execution of an Affordable Housing Agreement.

City Fees 2005		
Water	$4,251.62	per SFR
Wastewater	$3,640.27	per SFR
Roads	$10,646.32	per SFR
Parks	$7,067.92	per SFR

CIFP 2005-1 / AD 2005-1
APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

April 29, 2005
Revised 7/1/05

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8729 Pinn Brothers Marseilles-Medium Lots (3,000-5,999 SF) 210 Units
	ACQUISITION ITEMS	
1	Fairview Avenue	
2	John Muir Parkway	
3	Concord Avenue/Realignment	
4	Water Facilities	
5	Wastewater Facilities	
6	Sand Creek Road	
7	San Jose Avenue	
8	O'Hara Avenue	
9	Central Boulevard	$1,593,900
10	**SUBTOTAL (1-9)**	**$1,593,900**
	PREPAID FEES	
11	Prepaid Roadway Fee	$840,000
12	Prepaid Water Facilities Fee	$840,000
13	Prepaid Wastewater Facilities Fee	$630,000
14	Prepaid Parks & Trails Fee	$0
15	**SUBTOTAL (11 through 15)**	**$2,310,000**
16	**TOTAL COST (10 + 16)**	**$3,903,900**
	BOND ISSUANCE COSTS	
17	Bond Counsel (1.1%)	$50,820
18	Disclosure Counsel (0.4%)	$18,480
19	Bond Printing (0.2%)	$9,240
20	Registrar and Paying Agent (0.1%)	$4,620
21	Appraisals (0.2%)	$9,240
22	Assessment Engineer (1.5%)	$69,300
23	Bond Discount (2%)	$92,400
24	Bond Reserve Fund (8.5%)	$392,700
25	City Administration Fee (1.5%)	$69,300
26	Capitalized Interest (0%)	$0
27	**Subtotal Bond Issuance Costs (17 to 26)**	**$716,100**
28	**Total Assessment (16+27)**	**$4,620,000**
29	Assessment Per Unit	$22,000.00 (per unit)

CHECK	
TARGET:	$22,000
BOND COST CHECK:	$716,100
IMPROVEMENTS COST CHECK:	$3,903,900
NUMBER OF UNITS PROPOSED:	210

Local Obligation / Improvement Items:
Central Boulevard

Prepay PORTION Roadway Fee — City Comments

210	$0.00	$	-	($3,550,000) spread
Estimated Fee Credit:		$	(1,324,156.00)	over 210 units
total:		$	(1,324,156.00)	out of 563 total units
Portion in this district:				
210	$4,000.00	$	840,000.00	

Prepay PORTION Water Fee

210	$0.00	$	-
Estimated Fee Credit:		$	-
total:		$	-
Portion in this district:			
210	$4,000.00	$	840,000.00

Prepay PORTION Wastewater Fee

210	$0.00	$	-
Estimated Fee Credit:		$	-
total:		$	-
Portion in this district:			
210	$3,000.00	$	630,000.00

Prepay No Parks Fees — City Comments

210	$0.00	$	-	($2,202,000) spread
Estimated Fee Credit:		$	(821,350.00)	over 210 units
total:		$	(821,350.00)	out of 563 total units
Portion in this district:				
210	$0.00	$	-	

Total prepayment of fees:

$ **2,310,000.00**

NOTES:
1. Fee Credits and Estimates were developed between the City of Brentwood and Pinn Brothers/RJA Engineers.
2. Pinn requested Assessment Increase to $22,000 in Final Report.
3. July 1, 2005: One Medium Lot in Assessment No.8 is not subject to assessment by these proceedings. The Developer has agreed to pay the proportional Roadway, Water and Wastewater fees ($11,000/lot), and infrastructure benefit ($7,590/lot) for this lot in cash prior to Final Map approval and execution of an Affordable Housing Agreement.

City Fees 2005		
Water	$4,251.62	per SFR
Wastewater	$3,640.27	per SFR
Roads	$10,646.32	per SFR
Parks	$7,067.92	per SFR

CIFP 2005-1 / AD 2005-1
APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

April 21, 2005
revised 4/29/05

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8729 Pinn Brothers Marseilles - Large Lots (6,000 AND UP) 78 Units
	ACQUISITION ITEMS	
1	Fairview Avenue	
2	John Muir Parkway	
3	Concord Avenue/Realignment	
4	Water Facilities	
5	Wastewater Facilities	
6	Sand Creek Road	
7	San Jose Avenue	
8	O'Hara Avenue	
9	Central Boulevard	$789,750
10	**SUBTOTAL (1-9)**	**$789,750**
	PREPAID FEES	
11	Prepaid Roadway Fee	$312,000
12	Prepaid Water Facilities Fee	$312,000
13	Prepaid Wastewater Facilities Fee	$234,000
14	Prepaid Parks & Trails Fee	$0
15	**SUBTOTAL (11 through 15)**	**$858,000**
16	**TOTAL COST (10 + 16)**	**$1,647,750**
	BOND ISSUANCE COSTS	
17	Bond Counsel (1.1%)	$21,450
18	Disclosure Counsel (0.4%)	$7,800
19	Bond Printing (0.2%)	$3,900
20	Registrar and Paying Agent (0.1%)	$1,950
21	Appraisals (0.2%)	$3,900
22	Assessment Engineer (1.5%)	$29,250
23	Bond Discount (2%)	$39,000
24	Bond Reserve Fund (8.5%)	$165,750
25	City Administration Fee (1.5%)	$29,250
26	Capitalized Interest (0%)	$0
27	**Subtotal Bond Issuance Costs (17 to 26)**	**$302,250**
28	**Total Assessment (16+27)**	**$1,950,000**
29	Assessment Per Unit	$25,000.00 (per unit)

CHECK	
TARGET:	$25,000
BOND COST CHECK:	$302,250
IMPROVEMENTS COST CHECK:	$1,647,750
NUMBER OF UNITS PROPOSED:	78

Local Obligation / Improvement Items:
Central Boulevard

Prepay PORTION Roadway Fee — City Comments

78	$10,646.32	$	830,412.96	($3,550,000) spread
Estimated Fee Credit:		$	(491,829.00)	over 78 units
total:		$	338,583.96	out of 563 total units
Portion in this district:				
78	$4,000.00	$	312,000.00	

Prepay PORTION Water Fee

78	$4,251.62	$	331,626.36
Estimated Fee Credit:		$	-
total:		$	331,626.36
Portion in this district:			
78	$4,000.00	$	312,000.00

Prepay PORTION Wastewater Fee

78	$3,640.27	$	283,941.06
Estimated Fee Credit:		$	-
total:		$	283,941.06
Portion in this district:			
78	$3,000.00	$	234,000.00

Prepay No Parks Fees — City Comments

78	$7,067.92	$	551,297.76	($2,202,000) spread
Estimated Fee Credit:		$	(305,072.00)	over 78 units
total:		$	246,225.76	out of 563 total units
Portion in this district:				
78	$0.00	$	-	

Total prepayment of fees:

$ **858,000.00**

NOTES:
Fee Credits and Estimates were developed between the City of Brentwood and Pinn Brothers/RJA Engineers.

City Fees 2005		
Water	$4,251.62	per SFR
Wastewater	$3,640.27	per SFR
Roads	$10,646.32	per SFR
Parks	$7,067.92	per SFR

CIFP 2005-1 / AD 2005-1
APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

April 20, 2005
revised 7/1/05

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8854 DR Horton Castello Property 108 Units
	ACQUISITION ITEMS	
1	Fairview Avenue	$1,246,656
2	John Muir Parkway	
3	Concord Avenue/Realignment	
4	Water Facilities	
5	Wastewater Facilities	
6	Sand Creek Road	
7	San Jose Avenue	
8	O'Hara Avenue	
9	Central Boulevard	
10	**SUBTOTAL (1-9)**	**$1,246,656**
	PREPAID FEES	
11	Prepaid Roadway Fee	$0
12	Prepaid Water Facilities Fee	$459,175
13	Prepaid Wastewater Facilities Fee	$393,149
14	Prepaid Parks & Trails Fee	$0
15	**SUBTOTAL (11 through 15)**	**$852,324**
16	**TOTAL COST (10 + 16)**	**$2,098,980**
	BOND ISSUANCE COSTS	
17	Bond Counsel (1.1%)	$27,324
18	Disclosure Counsel (0.4%)	$9,936
19	Bond Printing (0.2%)	$4,968
20	Registrar and Paying Agent (0.1%)	$2,484
21	Appraisals (0.2%)	$4,968
22	Assessment Engineer (1.5%)	$37,260
23	Bond Discount (2%)	$49,680
24	Bond Reserve Fund (8.5%)	$211,140
25	City Administration Fee (1.5%)	$37,260
26	Capitalized Interest (0%)	$0
27	**Subtotal Bond Issuance Costs (17 to 26)**	$385,020
28	**Total Assessment (16+27)**	**$2,484,000**
29	Assessment Per Unit	$23,000.00 (per unit)

CHECK	
TARGET:	$23,000
BOND COST CHECK:	$385,020
IMPROVEMENTS COST CHECK:	$2,098,980
NUMBER OF UNITS PROPOSED:	108

Local Obligation / Improvement Items:
Fairview Avenue

Prepay No Roadway Fees

108	$10,646.32	$	1,149,802.56	
Estimated Fee Credit:		$	(1,170,000.00)	City Edit 5/23
total:		$	(20,197.44)	
Portion in this district:				
108	$0.00	$	-	

Prepay PORTION Water Fee

108	$4,251.62	$	459,174.96
Estimated Fee Credit:		$	-
total:		$	459,174.96
Portion in this district:			
108	$4,251.62	$	459,174.96
TOTAL IN DISTRICT:		$	459,174.96

Prepay PORTION Wastewater Fee

108	$3,640.27	$	393,149.16
Estimated Fee Credit:		$	-
total:		$	393,149.16
Portion in this district:			
108	$3,640.27	$	393,149.16
TOTAL IN DISTRICT:		$	393,149.16

Prepay No Parks Fees

108	$7,067.92	$	763,335.36	
Estimated Fee Credit:		$	(685,000.00)	City Edit 5/23
total:		$	78,335.36	
Portion in this district:				
108	$0.00	$	-	

Total prepayment of fees: $ 852,324

NOTES:
3. July 1, 2005: The Fourplex Unit and three of the Duet Units (a total of 7 units) in Assessment No. 10 are not subject to assessment by these proceedings. The Developer will pay the proportional water and wastewater fees (per the development fee program) and infrastructure benefit for these lots in cash prior to Final Map Approval and execution of an Affordable Housing Agreement.

City Fees 2005		
Water	$4,251.62 per SFR	$3,349.40 per MFR
Wastewater	$3,640.27 per SFR	$2,771.78 per MFR
Roads	$10,646.32 per SFR	$6,575.67 per MFR
Parks	$7,067.92 per SFR	$5,331.94 per MFR

CIFP 2005-1 / AD 2005-1
APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

April 20, 2005

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8875 Meritage Homes Preserve III 84 Units
	ACQUISITION ITEMS	
1	Fairview Avenue	
2	John Muir Parkway	
3	Concord Avenue/Realignment	
4	Water Facilities	
5	Wastewater Facilities	
6	Sand Creek Road	
7	San Jose Avenue	
8	O'Hara Avenue	$1,246,140
9	Central Boulevard	
10	**SUBTOTAL (1-9)**	**$1,246,140**
	PREPAID FEES	
11	Prepaid Roadway Fee	$0
12	Prepaid Water Facilities Fee	$92,400
13	Prepaid Wastewater Facilities Fee	$294,000
14	Prepaid Parks & Trails Fee	$0
15	**SUBTOTAL (11 through 15)**	**$386,400**
16	**TOTAL COST (10 + 16)**	**$1,632,540**
	BOND ISSUANCE COSTS	
17	Bond Counsel (1.1%)	$21,252
18	Disclosure Counsel (0.4%)	$7,728
19	Bond Printing (0.2%)	$3,864
20	Registrar and Paying Agent (0.1%)	$1,932
21	Appraisals (0.2%)	$3,864
22	Assessment Engineer (1.5%)	$28,980
23	Bond Discount (2%)	$38,640
24	Bond Reserve Fund (8.5%)	$164,220
25	City Administration Fee (1.5%)	$28,980
26	Capitalized Interest (0%)	$0
27	**Subtotal Bond Issuance Costs (17 to 26)**	**$299,460**
28	**Total Assessment (16+27)**	**$1,932,000**
29	Assessment Per Unit	$23,000.00 (per unit)

CHECK	
TARGET:	$23,000
BOND COST CHECK:	$299,460
IMPROVEMENTS COST CHECK:	$1,632,540
NUMBER OF UNITS PROPOSED:	84

Local Obligation / Improvement Items:
O'Hara Avenue

Prepay NO Roadway Fees

84	$10,646.32	$	894,290.88	
Estimated Fee Credit:		$	(1,544,000.00)	
total:		$	(649,709.12)	
Portion in this district:				
84	$0.00	$	-	

Prepay PORTION Water Fee

84	$4,251.62	$	357,136.08	
Estimated Fee Credit:		$	(256,466.00)	City edit 6/22
total:		$	100,670.08	
Portion in this district:				
84	$1,100.00	$	92,400.00	

Prepay PORTION Wastewater Fee

84	$3,640.27	$	305,782.68
Estimated Fee Credit:		$	-
total:		$	305,782.68
Portion in this district:			
84	$3,500.00	$	294,000.00

Prepay NO Parks Fees

84	$7,067.92	$	593,705.28
Estimated Fee Credit:		$	(620,000.00)
total:		$	(26,294.72)
Portion in this district:			
84	$0.00	$	-

Total prepayment of fees: $ 386,400

City Fees 2005		
Water	$4,251.62	per SFR
Wastewater	$3,640.27	per SFR
Roads	$10,646.32	per SFR
Parks	$7,067.92	per SFR

CIFP 2005-1 / AD 2005-1
APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

April 20, 2005

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8763 The Mark Pringle Co. Ashford Park II 11 Units
	ACQUISITION ITEMS	
1	Fairview Avenue	
2	John Muir Parkway	
3	Concord Avenue/Realignment	
4	Water Facilities	
5	Wastewater Facilities	
6	Sand Creek Road	$49,227
7	San Jose Avenue	
8	O'Hara Avenue	
9	Central Boulevard	
10	**SUBTOTAL (1-9)**	**$49,227**
	PREPAID FEES	
11	Prepaid Roadway Fee	$0
12	Prepaid Water Facilities Fee	$46,768
13	Prepaid Wastewater Facilities Fee	$40,043
14	Prepaid Parks & Trails Fee	$77,747
15	**SUBTOTAL (11 through 15)**	**$164,558**
16	**TOTAL COST (10 + 16)**	**$213,785**
	BOND ISSUANCE COSTS	
17	Bond Counsel (1.1%)	$2,783
18	Disclosure Counsel (0.4%)	$1,012
19	Bond Printing (0.2%)	$506
20	Registrar and Paying Agent (0.1%)	$253
21	Appraisals (0.2%)	$506
22	Assessment Engineer (1.5%)	$3,795
23	Bond Discount (2%)	$5,060
24	Bond Reserve Fund (8.5%)	$21,505
25	City Administration Fee (1.5%)	$3,795
26	Capitalized Interest (0%)	$0
27	**Subtotal Bond Issuance Costs (17 to 26)**	**$39,215**
28	**Total Assessment (16+27)**	**$253,000**
29	Assessment Per Unit	$23,000.00 (per unit)

CHECK	
TARGET:	$23,000
BOND COST CHECK:	$39,215
IMPROVEMENTS COST CHECK:	$213,785
NUMBER OF UNITS PROPOSED:	11

Local Obligation / Improvement Items:
Sand Creek Road

Prepay NO Roadway Fees
11 $10,646.32 $ 117,109.52
Estimated Fee Credit: $ (147,000.00) *City Edit 4/29/05*
total: $ (29,890.48)
Portion in this district:
11 $0.00 $ -

Prepay Water Fees
11 $4,251.62 $ 46,767.82
Estimated Fee Credit: $ -
total: $ 46,767.82
Portion in this district:
11 $4,251.62 $ 46,767.82

Prepay Wastewater Fee
11 $3,640.27 $ 40,042.97
Estimated Fee Credit: $ -
total: $ 40,042.97
Portion in this district:
11 $3,640.27 $ 40,042.97

Prepay Parks Fee
11 $7,067.92 $ 77,747.12
Estimated Fee Credit: $ -
total: $ 77,747.12
Portion in this district:
11 $7,067.92 $ 77,747.12

Total prepayment of fees:
$ 164,558

City Fees 2005		
Water	$4,251.62	per SFR
Wastewater	$3,640.27	per SFR
Roads	$10,646.32	per SFR
Parks	$7,067.92	per SFR

CIFP 2005-1 / AD 2005-1
APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

April 21, 2005

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 128 Executive Units
	ACQUISITION ITEMS	
1	Fairview Avenue	$1,126,400
2	John Muir Parkway	$230,400
3	Concord Avenue/Realignment	$115,200
4	Water Facilities	$640,000
5	Wastewater Facilities	$51,200
6	Sand Creek Road	
7	San Jose Avenue	
8	O'Hara Avenue	
9	Central Boulevard	
10	**SUBTOTAL (1-9)**	**$2,163,200**
	PREPAID FEES	
11	Prepaid Roadway Fee	
12	Prepaid Water Facilities Fee	
13	Prepaid Wastewater Facilities Fee	
14	Prepaid Parks & Trails Fee	
15	**SUBTOTAL (11 through 15)**	**$0**
16	**TOTAL COST (10 + 16)**	**$2,163,200**
	BOND ISSUANCE COSTS	
17	Bond Counsel (1.1%)	$28,160
18	Disclosure Counsel (0.4%)	$10,240
19	Bond Printing (0.2%)	$5,120
20	Registrar and Paying Agent (0.1%)	$2,560
21	Appraisals (0.2%)	$5,120
22	Assessment Engineer (1.5%)	$38,400
23	Bond Discount (2%)	$51,200
24	Bond Reserve Fund (8.5%)	$217,600
25	City Administration Fee (1.5%)	$38,400
26	Capitalized Interest (0%)	$0
27	**Subtotal Bond Issuance Costs (17 to 26)**	**$396,800**
28	**Total Assessment (16+27)**	**$2,560,000**
29	Assessment Per Unit	$20,000.00 (per unit)

CHECK	
TARGET:	$20,000
BOND COST CHECK:	$396,800
IMPROVEMENTS COST CHECK:	$2,163,200
NUMBER OF UNITS PROPOSED:	128

Local Obligation / Improvement Items:

$	8,800.00	per lot
$	1,800.00	per lot
$	900.00	per lot
$	5,000.00	per lot
$	400.00	per lot
	$16,900.00	

CIFP 2005-1 / AD 2005-1
APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

April 21, 2005

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 4 Winery Units	Local Obligation / Improvement Items:		
	ACQUISITION ITEMS				
1	Fairview Avenue	$35,200	$ 8,800.00	per lot	
2	John Muir Parkway	$7,200	$ 1,800.00	per lot	
3	Concord Avenue/Realignment	$3,600	$ 900.00	per lot	
4	Water Facilities	$20,000	$ 5,000.00	per lot	
5	Wastewater Facilities	$1,600	$ 400.00	per lot	
6	Sand Creek Road		$16,900.00		
7	San Jose Avenue				
8	O'Hara Avenue				
9	Central Boulevard				
10	**SUBTOTAL (1-9)**	**$67,600**			
	PREPAID FEES				
11	Prepaid Roadway Fee				
12	Prepaid Water Facilities Fee				
13	Prepaid Wastewater Facilities Fee				
14	Prepaid Parks & Trails Fee				
15	**SUBTOTAL (11 through 15)**	**$0**			
16	**TOTAL COST (10 + 16)**	**$67,600**			
	BOND ISSUANCE COSTS				
17	Bond Counsel (1.1%)	$880			
18	Disclosure Counsel (0.4%)	$320			
19	Bond Printing (0.2%)	$160			
20	Registrar and Paying Agent (0.1%)	$80			
21	Appraisals (0.2%)	$160			
22	Assessment Engineer (1.5%)	$1,200			
23	Bond Discount (2%)	$1,600			
24	Bond Reserve Fund (8.5%)	$6,800			
25	City Administration Fee (1.5%)	$1,200			
26	Capitalized Interest (0%)	$0			
27	**Subtotal Bond Issuance Costs (17 to 26)**	**$12,400**			
28	**Total Assessment (16+27)**	**$80,000**			
29	Assessment Per Unit	$20,000.00 (per unit)			

CHECK:

TARGET:	$20,000
BOND COST CHECK:	$12,400
IMPROVEMENTS COST CHECK:	$67,600
NUMBER OF UNITS PROPOSED:	4

CIFP 2005-1 / AD 2005-1
APPENDIX: INDIVIDUAL PROPERTY ANALYSIS

April 21, 2005
revised 6/30/05

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 1,016 Active Adult Units	Local Obligation / Improvement Items:		
	ACQUISITION ITEMS				
1	Fairview Avenue	$7,950,720	$7,826	per lot	
2	John Muir Parkway	$2,458,720	$2,420	per lot	
3	Concord Avenue/Realignment	$1,153,160	$1,135	per lot	
4	Water Facilities	$6,096,000	$6,000	per lot	
5	Wastewater Facilities	$467,360	$460	per lot	
6	Sand Creek Road		$17,841		
7	San Jose Avenue				
8	O'Hara Avenue		$18,125,960	TOTAL	
9	Central Boulevard				
10	**SUBTOTAL (1-9)**	**$18,125,960**			
	PREPAID FEES				
11	Prepaid Roadway Fee				
12	Prepaid Water Facilities Fee				
13	Prepaid Wastewater Facilities Fee				
14	Prepaid Parks & Trails Fee				
15	Prepaid Infrastructure Fees	$1,620,000			
16	**SUBTOTAL (11 through 15)**	**$1,620,000**			
17	**TOTAL COST (10 + 16)**	**$19,745,960**			
	BOND ISSUANCE COSTS				
17	Bond Counsel (1.1%)	$257,048			
18	Disclosure Counsel (0.4%)	$93,472			
19	Bond Printing (0.2%)	$46,736			
20	Registrar and Paying Agent (0.1%)	$23,368			
21	Appraisals (0.2%)	$46,736			
22	Assessment Engineer (1.5%)	$350,520			
23	Bond Discount (2%)	$467,360			
24	Bond Reserve Fund (8.5%)	$1,986,280			
25	City Administration Fee (1.5%)	$350,520			
26	Capitalized Interest (0%)	$0			
27	**Subtotal Bond Issuance Costs (17 to 26)**	**$3,622,040**			
28	**Total Assessment (16+27)**	**$23,368,000**			
29	Assessment Per Unit	$23,000.00 (per unit)			

CHECK:

TARGET:	$23,000
BOND COST CHECK:	$3,622,040
IMPROVEMENTS COST CHECK:	$19,746,960
NUMBER OF UNITS PROPOSED:	1016

NOTES:
The Developer has agreed to prepay the Infrastructure Fees on the Active Adult Units as calculated in Exhibit D of the Project's Development Agreement. The funding was shifted from the Fairview Avenue improvement for this Final Engineer's Report.

	ACQUISITION ITEMS, PREPAID FEES AND BOND ISSUANCE COSTS	SUBD 8796 Trilogy Vineyards LLC Vineyards at Marsh Creek 84 Active Adult Duet Units
	ACQUISITION ITEMS	
1	Fairview Avenue	$184,800
2	John Muir Parkway	$37,800
3	Concord Avenue/Realignment	$18,900
4	Water Facilities	$105,000
5	Wastewater Facilities	$8,400
6	Sand Creek Road	
7	San Jose Avenue	
8	O'Hara Avenue	
9	Central Boulevard	
10	**SUBTOTAL (1-9)**	**$354,900**
	PREPAID FEES	
11	Prepaid Roadway Fee	
12	Prepaid Water Facilities Fee	
13	Prepaid Wastewater Facilities Fee	
14	Prepaid Parks & Trails Fee	
15	**SUBTOTAL (11 through 15)**	**$0**
16	**TOTAL COST (10 + 16)**	**$354,900**
	BOND ISSUANCE COSTS	
17	Bond Counsel (1.1%)	$4,620
18	Disclosure Counsel (0.4%)	$1,680
19	Bond Printing (0.2%)	$840
20	Registrar and Paying Agent (0.1%)	$420
21	Appraisals (0.2%)	$840
22	Assessment Engineer (1.5%)	$6,300
23	Bond Discount (2%)	$8,400
24	Bond Reserve Fund (8.5%)	$35,700
25	City Administration Fee (1.5%)	$6,300
26	Capitalized Interest (0%)	$0
27	**Subtotal Bond Issuance Costs (17 to 26)**	**$65,100**
28	**Total Assessment (16+27)**	**$420,000**
29	Assessment Per Unit	$5,000.00 (per unit)

CHECK	
TARGET:	$5,000
BOND COST CHECK:	$65,100
IMPROVEMENTS COST CHECK:	$354,900
NUMBER OF UNITS PROPOSED:	84

Local Obligation / Improvement Items:

$2,200	per lot	52%
$450	per lot	11%
$225	per lot	5%
$1,250	per lot	30%
$100	per lot	2%
$4,225		100%
$354,900	TOTAL	

NOTES:
The Developer requested the assessment on the duet units to be reduced to $5,000/unit in this Final Engineer's Report

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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

Year	City of Brentwood	Contra Costa County	State of California
1999	20,250	924,400	33,766,000
2000	22,250	955,900	34,207,000
2001	25,350	972,100	34,818,000
2002	29,600	980,900	35,000,000
2003	33,000	994,900	35,591,000
2004	37,246	1,008,944	36,271,091
2005	40,912	1,020,898	36,810,358

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 1999 through 2003. Figures for 2004 are not available until August 2005.

Effective Buying Income
As of January 1, 1999 through 2003

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
1999	Contra Costa County	$ 21,772,470	$53,234
	California	590,376,663	39,492
	United States	4,877,786,658	37,233
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

Source: Sales & Marketing Management Survey of Buying Power.

Commercial Activity

Total taxable sales during calendar year 2003 in the City were reported to be $232,542, a 16.7% increase over the total taxable sales of $199,316 reported during calendar year 2002. 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.

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
1999	248	129,608	473	151,789
2000	252	149,485	493	177,716
2001	277	161,364	536	194,323
2002	292	169,876	561	199,316
2003	362	198,832	687	232,542

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

Total taxable sales during calendar year 2003 in the County were reported to be $12,223,295, a .5% increase over the total taxable sales $12,159,424 reported during calendar year 2002. 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.

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
1999	11,008	7,718,261	22,733	11,114,476
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

Source: State Board of Equalization.

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.

COUNTY OF CONTRA COSTA
Labor Force, Employment and Unemployment

	2000	2001	2002	2003	2004
Civilian Labor Force [1]	1,271,800	1,287,400	1,288,500	1,273,400	1,261,500
Employment	1,226,200	1,229,500	1,206,800	1,189,500	1,188,600
Unemployment	45,600	57,900	81,700	83,900	72,900
Unemployment Rate	3.6%	4.5%	6.3%	6.6%	5.8%
Wage and Salary Employment: [2]					
Agriculture	3,000	3,000	3,000	2,600	1,500
Natural Resources and Mining	2,400	1,600	1,200	900	1,200
Construction	65,500	69,700	66,600	67,100	69,100
Manufacturing	116,500	113,200	103,600	98,000	99,100
Wholesale Trade	53,700	55,400	53,100	50,600	48,700
Retail Trade	112,300	113,300	112,000	110,500	110,200
Transportation, Warehousing and Utilities	41,700	41,300	39,500	36,000	33,900
Information	39,000	37,700	35,200	32,600	31,000
Finance and Insurance	33,000	40,300	44,200	49,400	48,900
Real Estate and Rental and Leasing	17,600	18,300	18,300	18,200	18,300
Professional and Business Services	170,200	159,000	149,600	144,900	146,700
Educational and Health Services	110,700	112,500	114,700	117,000	117,900
Leisure and Hospitality	73,700	77,900	79,900	80,400	80,600
Other Services	31,900	35,800	37,800	37,500	37,000
Federal Government	21,000	19,200	18,600	18,600	17,500
State Government	45,900	47,300	49,100	48,800	47,100
Local Government	109,700	112,300	116,500	115,000	114,400
Total, All Industries	1,047,600	1,057,800	1,042,800	1,028,200	1,023,000

(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.
Source: State of California Employment Development Department.

Major Employers

The largest manufacturing and non-manufacturing employers as of January 1, 2005 in Contra Costa County are shown below.

Employer Name	Location	Industry
Berlex Biosciences	Richmond	Nonclassified Establishments
Bio-Rad Laboratories Inc	Hercules	Laboratory Analytical Instruments (Mfrs)
C & H Sugar Co Inc	Crockett	Federally Chartered Credit Unions
Chevron Texaco Downstream	San Ramon	Service Stations-Gasoline & Oil
Concord Naval Weapons Station	Concord	Federal Government-National Security
Contra-Costa Regional Med Ctr	Martinez	Hospitals
Doctor's Medical Ctr	San Pablo	Hospitals
Irwin Home Equity Corp	San Ramon	Real Estate Loans
John Muir Medical Ctr	Walnut Creek	Hospitals
Kaiser Permanente Medical Ctr	Martinez	Hospitals
Martinez Refining Co	Martinez	Petroleum Products-Manufacturers
Mt Diablo Medical Ctr	Concord	Rehabilitation Services
Nordstrom	Walnut Creek	Department Stores
Oakley Auto Svc	Oakley	Automobile Repairing & Service
Oakley Union School District	Oakley	Schools
PMI Mortgage Insurance Co	Walnut Creek	Real Estate Loans
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	Martinez	Convenience Stores
Us Veterans Medical Ctr	Martinez	Hospitals
USS-Posco Industries	Pittsburg	Steel Mills
VA Outpatient Clinic	Martinez	Physicians & Surgeons

Source: California State Board of Equalization.

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)

	2000	2001	2002	2003	2004
Permit Valuation					
New Single-family	$177,184.1	$226,709.5	$326,206.8	$260,659.7	$271,770.0
New Multi-family	0.0	0.0	0.0	0.0	19,093.3
Res. Alterations/Additions	1,349.6	1,605.0	1,445.0	1,189.9	2,551.8
Total Residential	178,533.7	228,314.1	327,651.8	261,849.6	293,415.1
New Commercial	3,384.7	5,245.6	11,179.7	23,395.9	33,637.2
New Industrial	2,322.4	0.0	2,758.2	1,626.4	5,113.1
New Other	5,510.8	6,053.1	14,932.5	10,444.3	14,130.6
Com. Alterations/Additions	1,514.3	546.6	5,122.1	3,353.5	13,076.4
Total Nonresidential	12,732.1	11,845.2	33,992.6	38,820.1	65,957.4
New Dwelling Units					
Single Family	953	1,255	1,689	1,361	1,306
Multiple Family	0	0	0	0	226
TOTAL	953	1,255	1,689	1,361	1,532

Source: Construction Industry Research Board, Building Permit Summary.

According to the Brentwood General Plan, 28,119 new residential units are planned in the City by the year 2010. This is equal to an average of 1,875 new units per year. Approximately 35.9 percent of these new units are anticipated to be multifamily housing with density of 8.0 units per acre and above.

CONTRA COSTA COUNTY
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2000	2001	2002	2003	2004
Permit Valuation					
New Single-family	$919,039.8	$917,084.8	$1,219,607.6	$1,263,359.9	$1,113,572.4
New Multi-family	116,450.8	81,836.2	60,107.3	190,449.4	123,332.9
Res. Alterations/Additions	188,993.9	171,687.4	213,248.0	230,427.8	233,108.3
Total Residential	1,224,484.5	1,170,608.4	1,492,962.9	1,684,237.2	1,470,013.6
New Commercial	216,485.6	262,716.8	134,262.0	128,738.0	102,549.3
New Industrial	12,652.7	8,832.2	9,316.4	33,047.1	17,421.4
New Other	57,254.3	88,750.3	87,959.0	53,034.2	68,104.1
Com. Alterations/Additions	193,878.9	164,672.5	143,627.8	197,298.8	187,108.9
Total Nonresidential	480,271.5	524,971.8	375,165.2	412,118.0	375,183.8
New Dwelling Units					
Single Family	4,344	4,152	5,076	4,965	4,222
Multiple Family	1,295	984	729	1,930	1,261
TOTAL	5,639	5,136	5,805	6,895	5,483

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 Pacific Bell. 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 School District which provide K-12 public education needs. There is one high school, one junior high school and two elementary schools located in the City.

Near the City are four colleges: Los Medanos Community College in Pittsburg, Diablo Valley Community College 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, Acquisition and Disclosure 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 CIFP 2005-1 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 2005-1 Infrastructure Revenue Bonds, Series 2005, 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 Dain Rauscher Inc.; 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 2005-1" shall mean Capital Improvement Financing Plan 2005-1, adopted by the Local Agency on July 12, 2005, as amended and supplemented from time to time.

"CIFP 2005-1 District" shall mean Assessment District No. 2005-1, 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 Trustee.

"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 CIFP 2005-1 District: Pfieffer Ranch Investors Inc., Western Pacific Housing, Inc., Meritage Homes of California, Inc., Ashford Park II Investors, LLC, Trilogy Vineyards, LLC

"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, 2006.

"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 12, 2005, and providing for the issuance of the Local Obligations upon the security of unpaid assessments in the CIFP 2005-1 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. 2005-1 issued under the Local Obligation Statute for the CIFP 2005-1 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, 2006, 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 Depositaries" shall mean the following registered securities depositaries: (i) The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax - 516/227-4039 or 4190, (ii) Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax - 312/663-2343, and (iii) Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Dex - 215/496-5058; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositaries, or no such depositaries, as the Issuer 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, 2005, 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 2005-1 District), including a chance to the method of apportionment of assessment), provided, that (i) no territory outside the exterior boundaries of the applicable CIFP 2005-1 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 CIFP 2005-1 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 10, 2005, adopted its Resolution of Intention No. 2005-108 (the "Resolution of Intention"), relating to the acquisition and/or construction of certain proposed public improvements in an assessment district in and for the City of Brentwood designated Assessment District No. 2005-1 (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 12, 2005 (the "Resolution") authorizing the issuance and sale of its City of Brentwood Limited Obligation Improvement Bonds, Assessment District No. 2005-1 (the "Local Obligations") limited to the aggregate principal amount of $41,138,240 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 and construction of public improvements in and for the District under the CIFP 2005-1.

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 $41,138,240 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, Acquisition and Disclosure Agreements, exclusively for the purpose of paying the cost of constructing and 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 the 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, Acquisition and Disclosure Agreements

Definitions. As used in the Funding, Acquisition and Disclosure Agreements, the following capitalized terms shall have the meanings ascribed to them below:

"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, 2005.

"Acquisition Improvements" shall have the meaning assigned to such term in Recital D of each Funding, Acquisition and Disclosure Agreement.

"Acquisition Price" means the amount paid to the Developer upon acquisition of any Acquisition Improvement as provided in each Funding, Acquisition and Disclosure 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, Acquisition and Disclosure Agreement.

"Assessment District" means City of Brentwood Assessment District No. 2005-1, 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, Acquisition and Disclosure Agreement as the budgeted cost of each Acquisition Improvement to be acquired thereunder.

"CIFP 2005-1" shall have the meaning assigned to such term in each Funding, Acquisition and Disclosure Agreement.

"CIFP 2005-1 Participant" means each signatory to CIFP 2005-1 (other than the Developer) 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. 2005-1 who entered into a Funding, Acquisition and Disclosure 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, Acquisition and Disclosure 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. 2005-1, 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 2005-1.

"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.

"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).

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 2005-1 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, 2005 by and among the City, BIFA and U.S. Bank National Association, as trustee.

(ii) The CIFP 2005-1 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 2005-1 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 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 CIFP 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.

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 18, 2005

Governing Board
Brentwood Infrastructure Financing Authority
Brentwood, California

Brentwood Infrastructure Financing Authority
CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Brentwood Infrastructure Financing Authority (the "Issuer") of $40,145,000 aggregate principal amount of its CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005 (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, 2005 (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. BIFA-14 of the Issuer adopted on July 12, 2005. 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, 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 18, 2005, 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 $40,145,000 CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005 (the "Bonds"). The Bonds are issued pursuant to the terms of a Trust Agreement (the "Trust Agreement") dated as of August 1, 2005 (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. 2005-1, (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 August 3, 2005 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 2004-05 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 2005-1 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 4, 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 fall 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 an 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.

SECTION 10. Default. In the event of a failure of the City or the Trustee to comply with, any provision of this Disclosure Agreement, the Trustee, at the written request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges of the Trustee whatsoever, including, without limitation, fees and expenses of its attorneys., or any Holder or Beneficial Owner of the Bonds may take such actions as way be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Trustee, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article IX of the Trust Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Trust Agreement and the Agent shall be entitled to the same protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent and the Trustee shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, and Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys fees) of defaulting against any claim of liability, but

excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Agent or Trustee and payment of the Bonds. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the per6rmance of its duties hereunder. The Dissemination Agent and the Trustee shall have no duty or obligation to review any information provided to them hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the issuer, the Bondholders, or any other party. Neither the Trustee or the Dissemination Agent shall have any liability to the Bondholders or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from any breach of this Agreement.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the City:

City of Brentwood
708 Third Street
Brentwood, CA 94513
Attention: City Manager
FAX (925) 516-5441

To the Trustee:

U.S. Bank National Association
Attention: Corporate Trust
One California Street, Suite 2100
San Francisco, CA 94111
FAX (415) 273-4590

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 Underwriters, 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: _____, 2005

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 2005-1 Infrastructure Revenue Bonds, Series 2005

Name of Local Agency: City of Brentwood, California

Date of Issuance: _____, 2005

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, 2005 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 $40,145,000 CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005 (the "Bonds"). The Bonds are issued pursuant to the terms of a Trust Agreement (the "Trust Agreement") dated as of August 1, 2005 (the "Trust Agreement") among the Issuer, the City and U.S. Bank National Association, as Trustee. The Bonds are being issued to finance improvements within the City's Assessment District No. 2005-1, (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 August 3, 2005 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.

"*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.

"*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.

"*City*" means the City of Brentwood.

"District" means the City of Brentwood Assessment District 2005-1.

"*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 Dain Rauscher, 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.

"*Annual Report*" means any Annual Report provided by the Developer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*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, 2006, 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.

Section 12. Notices. Any notice or communications to given to the City or to the Dissemination Agent relative to this Disclosure Certificate may be given as follows:

To the City:	City of Brentwood 708 Third Street Brentwood, CA 94513 Attention: City Manager FAX (925) 516-5441
To the Dissemination Agent:	U.S. Bank National Association Attention: Corporate Trust One California Street, Suite 2100 San Francisco, CA 94111 FAX (415) 273-4590

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 Certificate shall inure solely to the benefit of the City, the Developer (its successors and assigns), 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 other person or entity. All obligations of the Developer hereunder shall be assumed by any legal successor to the obligations of the Developer as a result of a sale, merger, consolidation or other reorganization.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2005

_____

By: _____

Its: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Brentwood Infrastructure Financing Authority

Name of Bonds: CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005

Name of Local Agency: City of Brentwood, California

Date of Issuance: _____, 2005

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 _____, 2005. The Major Owner anticipates that the Annual Report will be filed by _____.

Dated:_____

DISSEMINATION AGENT:

By: _____
Its: _____

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APPENDIX G

THE BOOK ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

The information in this Appendix G concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC and the Authority takes no responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances 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.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for 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 security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (respectively, "NSCC", "GSCC", "MBSCC", 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.*

Purchases of the 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 Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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 the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 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.

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 the Bonds may wish to take certain steps to augment the 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 the 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 notices be provided directly to them.

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.

Neither DTC nor Cede & Co. (nor any 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 the 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).

Payments of principal of, premium, if any, and interest evidenced by 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 the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary

practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest evidenced by the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply. The foregoing information concerning DTC concerning and DTC's book-entry system has been provided by DTC, and neither the Authority or the Trustee take any responsibility for the accuracy thereof.

Neither the Authority or the Underwriter can and do not give any assurances that DTC, the Participants or others will distribute payments of principal, interest or premium, if any, evidenced by the Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. Neither the Authority or the Underwriter is responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or an error or delay relating thereto.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

Discontinuance of Book-Entry System. DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Trustee and discharging its responsibilities with respect thereto under applicable law or the City may terminate participation in the system of book-entry transfers through DTC or any other securities depository at any time. In the event that the book-entry system is discontinued, the Issuer will execute, and the Trustee will authenticate and make available for delivery, replacement Bonds in the form of registered bonds. See "THE BONDS" above.

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