#2012-0810

NEW ISSUE — FULL BOOK-ENTRY **RATINGS: See "RATINGS" herein**

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

$22,395,000
BRENTWOOD INFRASTRUCTURE FINANCING AUTHORITY
Infrastructure Revenue Refunding Bonds
Series 2012A

Dated: Date of Delivery **Due: September 2, as shown on inside cover**

The $22,395,000 Infrastructure Revenue Refunding Bonds, Series 2012A (the "Bonds") are being issued by the Brentwood Infrastructure Financing Au (the "Issuer") to assist the City of Brentwood, California (the "City") in the financing and refinancing of certain improvements of benefit to property within the City's Reassessment District No. 96-1, Assessment District No. 98-2 and Assessment District No. 99-1 (collectively herein, the "Districts").

The Issuer previously issued its (i) 1996 Reassessment Revenue Bonds, Series A and Subordinated Series B (collectively the "Series 1996 Bonds") and (ii) Series 2002A and Subordinated Series 2002B (collectively the "Series 2002 Bonds" and together with the Series 1996 Bonds, the "Prior Bonds"). The Prior Bonds were issued to provide the Issuer with money to purchase certain local obligations (t l Obligations") issued by the City to finance and refinance the construction and acquisition of certain public improvements within the Districts. The Bonds are being issued to refund the outstanding Prior Bonds, to provide for a reserve fund for the Bonds, and to pay costs of issuance of the Bonds.

The Bonds are special, limited obligations of the Issuer. The Bonds are payable solely from Revenues of the Issuer pledged under the Trust Agreement, consisting primarily of payments received by the Issuer from the City as payment on the Local Obligations, which payments are secured by liens of unpaid assessments as more fully described herein. Payments under the Local Obligations are calculated to be sufficient to permit the Authority to pay the principal of, premium, if any and interest on the Bonds when due. Installments of principal a l Local Obligation debt service are included on the regula lls sent to owners of property against which there are unpaid assessments. These annual assessment installments are to be paid into the Local Obligation Redemption Funds (defined herein) and transferred to U.S. Bank National Association, as trustee (the "Trustee") to be used to pay debt service on the Bonds 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 September 2, 2012, and semiannually thereafter on March 2 and September 2 each year. See "APPENDIX E—THE BOOK-ENTRY SYSTEM."

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

Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the Districts and the owners have made no commitment to pay the principal of or interest on the Bonds. In t linquency, proceedings may be conducted only against the real property securing the delinquent assessment. Thus, the value of the real property within the Districts is a critical factor in determining the investment quality of the Bonds. The future unpaid assessments are not required to be paid upon sale of property within the Districts. 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.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be delivered concurrently with the issuance of the Bonds by Assured Guaranty Municipal Corp.

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 Bonds are offered when, as and if issued and accepted by the Underwriter subject to the approval of validity and certain other legal matters by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer and the City by the City Attorney and for the Underwriter by Jones Hall, A Professional Law Corporation. It is expected that the Bonds will be availa le for delivery in book-entry form on or about June 20, 2012.

RBC Capital Markets®

Dated: June 7, 2012

MATURITY SCHEDULE

Serial Bonds

Maturity September 2	Principal Amount	Interest Rate	Yield	CUSIP*
2012	$ 1,585,000	2.000%	0.550%	10727XTC2
2013	1,780,000	2.000	0.850	10727XTD0
2014	1,820,000	4.000	1.400	10727XTE8
2015	1,895,000	4.000	1.700	10727XTF5
2018	840,000	3.000	2.550	10727XTH1
2019	855,000	3.000	2.850	10727XTJ7
2020	875,000	3.000	3.130	10727XTK4
2021	910,000	3.125	3.400	10727XTL2
2022	935,000	3.250	3.550	10727XTM0
2023	965,000	3.500	3.700	10727XTN8
2024	995,000	3.500	3.850	10727XTP3
2025	1,035,000	3.625	3.970	10727XTQ1
2026	1,070,000	3.750	4.050	10727XTR9

$4,025,000 4.000% Term Bonds due September 2, 2017 to Yield 2.350%, CUSIP* 10727XTG3

$2,810,000 4.000% Term Bonds due September 2, 2029 to Yield 4.230%, CUSIP* 10727XTS7

* Copyright 2012, American Bankers Association. CUSIP data herein is provided by Standard and Poor's, CUSIP Services Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. The Issuer, the City and the Underwriter take no responsibility for the accuracy of such numbers.

BRENTWOOD INFRASTRUCTURE FINANCING AUTHORITY

CITY OF BRENTWOOD

City Council and Authority Officers

Robert Taylor, Mayor/Chairperson of the Authority
Steve Barr, Vice Mayor/Vice-Chairperson of the Authority
Robert Brockman, Councilmember/Boardmember
Joel R. Bryant, Councilmember/Boardmember
Erick Stonebarger, Councilmember/Boardmember

City Staff

Paul Eldredge, City Manager
Damien Brower, City Attorney
Bailey Grewal, Director of Public Works/City Engineer
Pam Ehler, Director of Finance and Information Systems
Casey McCann, Community Development Director

Special Services

Bond Counsel
Orrick, Herrington & Sutcliffe LLP

Trustee
U.S. Bank National Association
San Francisco, California

Financial Advisor
Del Rio Advisors, LLC
Modesto, 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 Issuer or City, in any press release and in any oral statement made with the approval of an authorized officer of the Issuer 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" within the meaning of the Private Securities Litigation Reform Act of 1995. 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 Issuer 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 (as defined herein) or other documents referred to in this Official Statement, are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

Insurer's Disclaimer. Assured Guaranty Municipal Corp. ("**AGM**") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

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

Page

INTRODUCTION 1

PLAN OF REFUNDING 3

THE BONDS 3

- Authority for Issuance 3
- General 4
- Redemption 4

SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR 10

- Limited Obligation 10
- Revenues 11
- Coverage Stabilization Fund 12
- Reserve Fund 12
- Payment of the Local Obligations 13
- Priority of Lien 13
- Limited Obligation Upon Delinquency 14
- Collection of Assessments 14
- Contra Costa County Tax Loss Reserve 14
- Covenant to Commence Superior Court Foreclosure 15
- No Additional Bonds 16
- Refunding of Local Obligations 16

BOND INSURANCE 16

- Bond Insurance Policy 16
- Assured Guaranty Municipal Corp 16

THE ASSESSMENT DISTRICTS 18

- The County of Contra Costa and City of Brentwood 18
- The Assessment Districts 19
- Map of the Districts 19
- Zoning 21
- Flood Zones 21
- Method of Assessment 21

OWNERSHIP AND VALUE OF PROPERTY WITHIN THE DISTRICTS 22

- Ownership of Property 22
- Direct and Overlapping Debt 24
- Valuation of Property in the Districts 27
- Value to Lien Ratios 28
- Property Tax Status 31

RISK FACTORS 32

- General 32
- Owners Not Obligated to Pay Bonds or Assessments 32
- Bankruptcy and Foreclosure 33
- Availability of Funds to Pay Delinquent Assessment Installments 33
- Limited Obligation Upon Delinquency 33

TABLE OF CONTENTS
(continued)

Page

Collection of the Assessment 34
Property Values 34
Parity Taxes and Special Assessments 35
Future Overlapping Indebtedness 35
No Acceleration Provision 35
Recent Events in the Real Estate Market 35
Bond Insurance 35

CONSTITUTIONAL LIMITATIONS ON TAXATION AND APPROPRIATIONS 36

Property Tax Rate Limitations - Article XIIIA 36
Legislation Implementing Article XIIIA 37
Appropriation Limitation - Article XIIIB 37
Property Tax Collection Procedures 38
Proposition 218 38

THE ISSUER 39

CONTINUING DISCLOSURE 39

LEGAL MATTERS 39

TAX MATTERS 40

NO LITIGATION 42

FINANCIAL ADVISOR 42

RATINGS 42

UNDERWRITING 42

MISCELLANEOUS 43

APPENDIX A SUMMARY OF THE TRUST AGREEMENT A-1

APPENDIX B ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF BRENTWOOD B-1

APPENDIX C FORM OF BOND COUNSEL OPINION C-1

APPENDIX D FORM OF CONTINUING DISCLOSURE AGREEMENT D-1

APPENDIX E THE BOOK-ENTRY SYSTEM E-1

APPENDIX F SPECIMEN MUNICIPAL BOND INSURANCE POLICY F-1

APPENDIX G SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY G-1

OFFICIAL STATEMENT

$22,395,000
BRENTWOOD INFRASTRUCTURE
FINANCING AUTHORITY
Infrastructure Revenue Refunding Bonds
Series 2012A

INTRODUCTION

This introduction is not a summary of this Official Statement, and is qualified by the more complete and detailed information contained in the entire Official Statement and the documents described or summarized herein. The sale of Bonds to potential investors is made only by means of the entire Official Statement.

General. 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**") of its $22,395,000 aggregate principal amount of Infrastructure Revenue Refunding Bonds, Series 2012A (the "**Bonds**").

Purposes of the Bonds. The Bonds are being issued to assist the City of Brentwood, California (the "**City**") in the refinancing of certain improvements of benefit to property within the City's Reassessment District No. 96-1, Assessment District No. 98-2 and Assessment District No. 99-1 (collectively herein, the "**Districts**") by refunding the outstanding Prior Bonds (defined below), to provide for a reserve fund for the Bonds, and to pay costs of issuance of the Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Prior Bonds and the Local Obligations. The Issuer previously issued its 1996 Reassessment Revenue Bonds, Series A and Subordinated Series B (the "**Series 1996 Bonds**") for the purpose of refinancing certain public capital improvements and acquiring the City's Limited Obligation Refunding Bonds, Reassessment District No. 96-1 in the original principal amount of $19,620,000 (the "**Series 1996 Local Obligations**"). In addition, the Issuer previously issued its Infrastructure Revenue Refunding Bonds, Series 2002A and Subordinated 2002B (the "**Series 2002 Bonds**" and together with the Series 1996 Bonds, the "**Prior Bonds**") in the original principal amount of $19,327,000, to provide the Issuer with money to finance and refinance certain public capital improvements and refund certain prior bonds of the Issuer that were used to acquire the City's Limited Obligation Improvement Bonds, Assessment District No. 98-2 in the original principal amount of $9,995,000 (the "**Series 1998 Local Obligations**") and the City's Limited Obligation Improvement Bonds, Assessment District No. 99-1 (the "**Series 1999 Local Obligations**" and, collectively with the Series 1996 Local Obligations and the Series 1998 Local Obligations, the "**Local Obligations**"). The Series 1996 Local Obligations were issued by the City pursuant to the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds, consisting of Division 11.5 of the California Streets and Highways Code (the "**1984 Act**") and the Series 1998 Local Obligations and the Series 1999 Local Obligations were 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 "**1915 Act**" and, together with the 1984 Act, the "**Local Obligation Statutes**") to finance the construction and acquisition of certain public improvements.

Authority for Issuance. The Bonds are issued pursuant to the terms of an Amended and Restated Trust Agreement dated as of June 1, 2012 (the "**Trust Agreement**") among the Issuer, the City and U.S. Bank National Association (the "**Trustee**").

Security for the Bonds. The Bonds are special, limited 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. The Bonds are secured by a priority lien on and security interest in all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in certain funds established under to the Trust Agreement. See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR – Revenues."

Each series of the Local Obligations were issued upon and are secured by the assessments levied against property in the corresponding District 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 applicable series of Local Obligations and the interest thereon. Each series of the Local Obligations is secured by the moneys in the related Local Obligation Redemption Fund created pursuant to the various assessment proceedings and by the related assessments levied. Principal of and interest on a series of Local Obligations are payable exclusively out of the related Local Obligation Redemption Fund. Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the Districts and the owners have made no commitment to pay the principal of or interest on the Local Obligations or the Bonds or to support payment of the Bonds in any manner. In the event of delinquency, proceedings may be conducted only against the particular parcel securing the delinquent assessment. The future unpaid assessments are not required to be paid upon sale of property within the Districts.

Bond Insurance. Concurrently with issuance of the Bonds, Assured Guaranty Municipal Corp. ("**AGM**" or the "**Insurer**") will issue its Municipal Bond Insurance Policy for the Bonds (the "**Policy**" or the "**Municipal Bond Insurance Policy**"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as Appendix F to this Official Statement. See "BOND INSURANCE" and "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY." The Insurer will also issue a municipal bond debt service reserve insurance policy for the Bonds (the "**Reserve Policy**"). See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR – Reserve Fund" and "APPENDIX G – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY."

The Assessment Districts and the Local Obligations. All of the proceedings of the City to form its Reassessment District No. 96-1 and to levy assessments therein were undertaken pursuant to the 1984 Act. All of the proceedings of the City to form the remainder of the Districts and to levy assessments therein were undertaken pursuant to the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code) (the "**1913 Act**" and, together with the 1984 Act, the "Acts"). The Local Obligations consist of three separate series of limited obligation improvement bonds issued by the City pursuant to the provisions of the Local Obligation Statutes to finance or refinance the construction and acquisition of public improvements within each respective District. The Local Obligations are the primary security for the Bonds and will not be refunded in connection with the issuance of the Bonds.

Each District is comprised of land located within the City zoned for residential development and has been formed to finance a portion of certain infrastructure improvements of benefit to such respective District (collectively, the "**Improvements**") consisting generally of a wastewater collection system,

wastewater treatment plant, water distribution system, flood control facilities, drainage facilities and roadways. The Improvements have been completed and the Districts are fully developed. See "THE ASSESSMENT DISTRICTS."

Limited Scope of Official Statement. There follows in this Official Statement descriptions of the Issuer, the Bonds, the Trust Agreement, the City, the Local Obligations, the Local Obligation Resolutions, 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. The presentation of information is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial or other affairs of the owners, the Districts, the Issuer or the City. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

PLAN OF REFUNDING

The Bonds are being issued to refund the outstanding principal amount of the Prior Bonds. The Prior Bonds were issued to provide the Issuer with money to finance or refinance the construction and acquisition of certain public improvements within the Districts. Such improvements have been completed. The Local Obligations were purchased by the Issuer at the time they were issued and are security for the Bonds, however they will not be refunded in connection with the issuance of the Bonds. Savings generated by the refunding of the Prior Bonds will be used by the Issuer for improvements permitted under the Marks-Roos Law (defined below). Proceeds of the Bonds will also be used to provide a reserve fund for the Bonds and to pay costs of issuance of the Bonds.

A portion of the proceeds of the Bonds will be used to redeem the outstanding Prior Bonds within 90 days of the date of issuance of the Bonds at a redemption price equal to the principal amount thereof, plus accrued interest, without premium.

THE BONDS

Authority for Issuance

The Bonds are special, limited obligations of the Issuer payable from and secured by payments made under all of the Local Obligations. The Local Obligations were 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 a Resolution adopted by the Issuer and the Trust Agreement.

The authorization for the Local Obligations was pursuant to provisions of the respective Act, the respective Local Obligation Statute and proceedings taken thereunder by the City. The Local Obligations were issued pursuant to the provisions of three separate resolutions (each a "**Local Obligation Resolution**" and, collectively, the "**Local Obligation Resolutions**") adopted by the City Council and bonded indebtedness for the Districts has been issued and no additional bonds are contemplated under the Local Obligation Resolutions. The Local Obligations are security for the Bonds and will not be refunded in connection with the issuance of the Bonds.

General

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 and any integral multiple thereof, under the book-entry system maintained by DTC. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners 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 E - THE BOOK-ENTRY SYSTEM."

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. Interest is payable on September 2, 2012, and semiannually thereafter on March 2 and September 2 each year (each, an "**Interest Payment Date**"). The Bonds shall bear interest from the date of original delivery. 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 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 one million dollars ($1,000,000) or more in aggregate principal amount of any 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. The principal of and redemption premiums, if any, on the Bonds shall be payable at the Corporate Trust Office of the Trustee, 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.

Redemption

Extraordinary Redemption. The Bonds shall be subject to extraordinary redemption as a whole or in part on any Interest Payment Date, and shall be redeemed by the Trustee, from moneys transferred from the Revenue Fund to the Redemption Fund pursuant to the Trust Agreement, and derived as a result of Property Owner Prepayments, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date. If such redemption will be of a portion, but not all, of the Outstanding Bonds, the Trustee shall select Bonds to be redeemed in accordance with the Redemption Instructions (described below) delivered pursuant to the Trust Agreement. All prepayments of the Local Obligations must be gross funded (including any call premium) to the next call date.

Optional Redemption. The Bonds maturing on or after September 2, 2023 shall be subject to optional redemption as a whole or in part on any date on or after September 2, 2022, at the option of the Issuer from any moneys deposited in the Redemption Fund from any source for such purpose by the

Issuer at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date.

Mandatory Redemption. The Bonds maturing on September 2, 2017 and September 2, 2029, are also subject to mandatory redemption in part by lot on September 2 in each year commencing September 2, 2016 and September 2, 2027, respectively, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

Term Bonds of 2017

Year (September 2)	Amount
2016	$1,975,000
2017	2,050,000

Term Bonds of 2029

Year (September 2)	Amount
2027	$1,105,000
2028	1,155,000
2029	550,000

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 directing the trustee to provide conditional notice of redemption as provided in the Trust Agreement, 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, postage prepaid, at least twenty (20) but not more than sixty (60) days before the date fixed for redemption, 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. Such notice may specify that it is conditional upon the receipt of funds to pay the

redemption price of the Bonds to be redeemed on or prior to the redemption date and that if such funds are not available, the redemption will be canceled and such Bonds shall remain Outstanding.

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, which, in each case, would result in the redemption of a portion, but not all, of the Outstanding Bonds, the City and the Issuer shall deliver to the Trustee at least thirty (30) days prior to the redemption date the following: (i) designation of the maturities and amounts of Bonds to be redeemed; provided, that except as necessary to meet the requirements of subsection (ii) below, the Bonds shall be redeemed pro rata (as nearly as possible given minimum authorized denominations) in proportion to the total principal amount of Bonds Outstanding at the time of redemption; (ii) a certification to the effect that after giving effect to the redemption, the total principal amount of outstanding Local Obligations will be equal to or greater than the total principal amount of Outstanding Bonds; (iii) the amount to be transferred from the Reserve Fund to the Redemption Fund as a result of Property Owner Prepayments; and (iv) a Cash Flow Certificate. The Cash Flow Certificate is required to certify 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) to make all remaining scheduled Principal Installments with respect to, and interest on, the Outstanding Bonds after such redemption.

Selection of Bonds for Redemption. Whenever less than all the Outstanding Bonds of a maturity are to be redeemed on any one date, the Trustee shall select the particular Bonds of such maturity 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 a $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 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 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. All Bonds so purchased will be delivered to the Trustee for cancellation.

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	$22,395,000.00
Net Original Issue Premium	366,643.45
Available Amounts From Prior Bonds	1,296,377.70
Total Sources	$24,058,021.15
Uses:	
Refunding of Prior Bonds	$22,814,459.69
Deposit to Reserve Fund	545,000.00
Costs of Issuance[1]	698,561.46
Total Uses	$24,058,021.15

[1] Includes legal fees, printing costs, rating agency fees, Underwriter's discount, bond insurance premium, reserve fund insurance policy premium and other miscellaneous expenses.

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DEBT SERVICE SCHEDULE AND COVERAGE TABLE

The scheduled payment of principal and interest on the Bonds reflects the aggregate maturities and interest payments on the underlying Local Obligations. The debt service schedule for the Bonds is shown below.

BRENTWOOD INFRASTRUCTURE FINANCING AUTHORITY
Infrastructure Revenue Refunding Bonds
Series 2012A
ANNUAL DEBT SERVICE

Year Ending (Sept 2)	Principal	Interest	Total
2012	$ 1,585,000	$ 154,294	$ 1,739,294
2013	1,780,000	739,769	2,519,769
2014	1,820,000	704,169	2,524,169
2015	1,895,000	631,369	2,526,369
2016	1,975,000	555,569	2,530,569
2017	2,050,000	476,569	2,526,569
2018	840,000	394,569	1,234,569
2019	855,000	369,369	1,224,369
2020	875,000	343,719	1,218,719
2021	910,000	317,469	1,227,469
2022	935,000	289,031	1,224,031
2023	965,000	258,644	1,223,644
2024	995,000	224,869	1,219,869
2025	1,035,000	190,044	1,225,044
2026	1,070,000	152,525	1,222,525
2027	1,105,000	112,400	1,217,400
2028	1,155,000	68,200	1,223,200
2029	550,000	22,000	572,000
Total	**$22,395,000**	**$6,004,575**	**$28,399,575**

The following table shows the debt service coverage for the Bonds based on scheduled payments of principal and interest on the Local Obligations.

BRENTWOOD INFRASTRUCTURE FINANCING AUTHORITY
Infrastructure Revenue Refunding Bonds
Series 2012A
DEBT SERVICE COVERAGE

Year Ending (Sept 2)	Local Obligations Debt Service[1]	Series 2012A Debt Service	Series 2012A Coverage[2]
2012	$ 2,187,943	$ 1,739,294	1.26
2013	2,821,680	2,519,769	1.25
2014	2,827,438	2,524,169	1.25
2015	2,826,735	2,526,369	1.25
2016	2,829,520	2,530,569	1.25
2017	2,825,255	2,526,569	1.25
2018	1,328,900	1,234,569	1.25
2019	1,318,425	1,224,369	1.25
2020	1,320,713	1,218,719	1.26
2021	1,325,331	1,227,469	1.25
2022	1,321,981	1,224,031	1.26
2023	1,320,963	1,223,644	1.26
2024	1,316,975	1,219,869	1.26
2025	1,320,019	1,225,044	1.25
2026	1,319,506	1,222,525	1.26
2027	1,315,431	1,217,400	1.26
2028	1,317,794	1,223,200	1.25
2029	636,000	572,000	1.25
Total	**$31,480,608**	**$28,399,575**	

(1) Local Obligations Debt Service for 2012 includes interest accruing beginning March 2, 2012.

(2) Coverage ratio is equal to the ratio of Revenues derived from Local Obligation Debt Service for the applicable Bond Year plus amounts held in the Coverage Stabilization Fund to Annual Debt Service on the Bonds. The Amount anticipated to be held by the Trustee in the Coverage Stabilization Fund is $335,000 beginning on September 2, 2012 through September 2, 2017, $215,000 thereafter through September 2, 2028 and $80,000 thereafter to the final maturity date of the Bonds. See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR – Coverage Stabilization Fund."

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) amounts held by the Trustee in the Funds established pursuant to the Trust Agreement, except the Rebate Fund and (iii) the Local Obligations (collectively, the "**Trust Estate**"). Revenues (as more particularly defined below) consist primarily of payments made by the City on the Local Obligations. All obligations of the Issuer under the Trust Agreement and the Bonds are special, limited obligations of the Issuer, payable solely from and secured by the Trust Estate.

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.

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 moneys received by the City as payment of assessments levied against property within the related District. Scheduled 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. Each series of the Local Obligations is payable solely from and secured solely by the assessments and the amounts in the redemption fund created with respect to such series of Local Obligations (each a "**Local Obligation Redemption Fund**") under the related Local Obligation Resolution. The City is not obligated to advance available surplus funds from the City treasury to cure any deficiency in any Local Obligation Redemption Fund, provided, however, the City is not prevented, in its sole discretion, from so advancing funds legally available for such purpose. Moneys in each Local Obligation Redemption Fund are available only for use with respect to the series of Local Obligations to which such Local Obligation Redemption Fund relates.

All obligations of the City under the Local Obligation Resolutions are not general obligations of the City, but are limited obligations, payable solely from the assessments and the funds pledged therefor under the applicable 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.

Revenues

The Bonds are secured by a lien on and pledge of Revenues made in the Trust Agreement. Under the Trust Agreement:

"***Revenues***" means (i) 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 (ii) all investment earnings on any moneys held in the Funds or accounts established under the Trust Agreement, except the Rebate Fund; and

"***Local Obligation Revenues***" means the assessments securing the Local Obligations pursuant to the Local Obligation Resolutions and the law governing the issuance of the Local Obligations.

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 first to secure the payment of the principal of and interest on the Bonds, all 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. 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 Statutes and the Local Obligation Resolutions, the City is legally obligated to establish and maintain a separate Local Obligation Redemption Fund for each series of the Local Obligations and, so long as any part of a series of Local Obligations remains outstanding, to deposit into the respective Local Obligation Redemption Fund, upon receipt, any and all respective Local Obligation Revenues received by the City. The City further acknowledges in the Trust Agreement that, pursuant to the Local Obligation Statutes and the Local Obligation Resolutions, no temporary loan or other use whatsoever may be made of the Local Obligation Revenues, and the Local Obligation Redemption Funds constitute a trust fund for the benefit of the owners of the respective 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 Funds and the Local Obligation Revenues in accordance with their statutes as trust funds as prescribed by the Local Obligation Statutes, the resolutions under which the Local Obligations were issued, and the Trust Agreement. No later than ten 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 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, in the amounts specified in the Trust Agreement, for deposit into the Interest Fund, Principal Fund, Coverage Stabilization 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.

Coverage Stabilization Fund

After depositing Revenues to the Interest Fund and Principal Fund but prior to making up any deficiency in the Reserve Fund, the Issuer has covenanted to deposit in the Coverage Stabilization Fund, established and maintained by the Trustee, an amount of Revenues necessary to maintain a Coverage Ratio for the then current Bond Year of 1.25:1.00 as certified in writing to the Trustee by the Issuer. "***Coverage Ratio***" is defined in the Trust Agreement as the ratio of projected Revenues for the applicable Bond Year plus amounts held in the Coverage Stabilization Fund to Annual Debt Service. All moneys in the Coverage Stabilization Fund will be used and withdrawn by the Trustee solely for the purpose of (a) paying interest on or the principal or 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 or (b) reimbursing the Insurer for draws and other amounts owed in connection with the Policy or the Reserve Policy, in such order of priority. The Coverage Stabilization Fund will initially be funded by the collection of Revenues for the bond year ending September 2, 2012 after the payment of interest on and principal of the Bonds due on such date. It is anticipated that the initial amount deposited in the Coverage Stabilization Fund will be $335,000. The amount anticipated to be held by the Trustee in the Coverage Stabilization Fund is $335,000 beginning on September 2, 2012 through September 2, 2017, $215,000 thereafter through September 2, 2028 and $80,000 thereafter to the final maturity date of the Bonds.

Reserve Fund

Establishment of Reserve Fund. A reserve fund (the "**Reserve Fund**") for the Bonds is established by the Trust Agreement to be held by the Trustee in trust for the benefit of the Issuer and the Owners of the Bonds. The Reserve Fund is required to be maintained at the "**Reserve Requirement**" which is, as of the date of original issuance of the Bonds, $2,063,922.61. The Reserve Requirement will initially be satisfied by the deposit of $545,000 of cash and the issuance of the Reserve Policy (described below) by the Insurer. The portion of the Reserve Requirement satisfied with the cash deposit (but not the portion of the Reserve Requirement funded by the Reserve Policy) will be reduced by the amount of such cash portion credited to Property Owner Prepayments as required by the Trust Agreement.

Reserve Policy. A portion of the Reserve Requirement in the amount of $1,518,922.61 will initially be satisfied by the issuance of a municipal bond debt service reserve insurance policy (the "**Reserve Policy**") provided by the Insurer. See "BOND INSURANCE" and "APPENDIX G – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY."

Use of Reserve Fund. Except as otherwise provided in the Trust Agreement, all amounts available under the Reserve Policy and other 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, the Redemption Fund or the Coverage Stabilization Fund for such purpose. Having first satisfied the requirements of the Trust Agreement requiring deposits into the Interest Fund, the Principal Fund and the Coverage Stabilization Fund, the Trustee shall next deposit in the Reserve Fund an amount of Revenues which, together with the amount of the Reserve Policy and any other amounts on deposit in the Reserve Fund, equal the Reserve Requirement. Such amounts shall be applied in the following order of priority: first, to reimburse the Insurer pursuant to the Trust Agreement for any draws on the Reserve

Policy, provided, that such reimbursement shall result in reinstatement of the Reserve Policy in the principal amount of such reimbursement (unless the Reserve Policy by its terms is not to be reinstated (i.e. due to the payment in full of the Bonds or the reduction of the Reserve Requirement)); second, to add to the amount of cash on deposit in the Reserve Fund such that the amount of such cash, plus the amount available under the Reserve Policy, is equal to the Reserve Requirement; and third to the payment of any other amounts owing to the Insurer pursuant to the Trust Agreement.

THE ISSUER AND THE CITY HAVE NO OBLIGATION TO REPLENISH THE RESERVE FUND EXCEPT TO THE EXTENT THAT DELINQUENT ASSESSMENTS ARE PAID OR PROCEEDS FROM FORECLOSURE SALES ARE REALIZED.

Payment of the Local Obligations

Payments Under the Local Obligations. Each series of the Local Obligations are issued upon and are secured by the assessments levied against property in the related District, 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 such series of Local Obligations and the interest thereon. Each series of the Local Obligations is secured by the moneys in the related Local Obligation Redemption Fund created pursuant to the applicable assessment proceedings and by the applicable assessments levied. Principal of and interest on a particular series of the Local Obligations are payable exclusively out of the related Local Obligation Redemption Fund.

Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the Districts and the owners of such parcels have made no commitment to pay the principal of or interest on the Bonds or to support payment of the Bonds in any manner. 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 Districts is a critical factor in determining the investment quality of the Bonds. The future unpaid assessments are not required to be paid upon sale of property within the Districts. There is no assurance the owners of parcels within the Districts will be able to pay the assessment installments or that they will 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.

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. None of the property in the District is subject to any other fixed special assessment lien.

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 THE TRUST ESTATE. THE LOCAL OBLIGATIONS ARE LIMITED OBLIGATIONS OF THE CITY PURSUANT TO THE LOCAL OBLIGATION STATUTES AND ARE PAYABLE SOLELY FROM AND ARE SECURED SOLELY BY THE RELATED ASSESSMENTS AND THE AMOUNTS IN THE RELATED LOCAL OBLIGATION REDEMPTION FUND.

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

Collection of Assessments

Pursuant to the Acts and the Local Obligation Statutes, 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 respective District to which the issue of Local Obligations relates and against which there are assessments. Upon receipt by the County and transferral to the City, assessment installments are to be deposited into the applicable 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. Pursuant to the Local Obligation Resolutions, payment of the principal of and interest on each series of Local Obligations is secured by moneys in the respective Local Obligation Redemption Fund. Moneys in each 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 any 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 "Covenant to Commence Superior Court Foreclosure" below. 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 from the Trust Estate as provided in the Trust Agreement.

Contra Costa County Tax Loss Reserve

The County 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 tax 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 losses reserve fund (the "**Tax Losses Reserve Fund**") accumulated from delinquent penalties. Pursuant to the Teeter Plan, each taxing entity in the County may draw on the amount of uncollected taxes and assessments credited to its fund, in the same manner as if the amount credited had been collected. The tax

losses reserve fund is used exclusively to cover losses occurring in the amount of tax liens as a result of sales of tax-defaulted property. Moneys in this fund are derived from delinquent tax penalty collections.

This method of apportioning taxes extends to all assessments 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 assessment installments with respect to the Local Obligations will be collected pursuant to the procedures described above. Thus, so long as the County maintains its policy of collecting such 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 Districts. There is no assurance, however, that the County Board of Supervisors will maintain its policy of apportioning assessments pursuant to the aforementioned procedures.

Covenant to Commence Superior Court Foreclosure

The Local Obligation Statutes provide 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 and acquire title to the parcel to which the delinquency relates. 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 Resolutions 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 the parcel to which such delinquent assessment or installment thereof and interest thereon relates, which foreclosure proceedings shall be commenced and prosecuted without regard to available surplus funds of the City; provided, that, with respect to Assessment District No. 98-2 and Assessment District No. 99-1, 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 applicable Local Obligation Redemption Fund sufficient in both time and amount to pay when due scheduled principal of and interest on the related issue of Local Obligations 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).

Because the City has generally received 100% of the amounts of any delinquencies in Reassessment District No. 96-1 through the Teeter Plan described above under the caption "Contra Costa County Tax Loss Reserve" and made all debt service and other payments required pursuant to the Local Obligations associated with Reassessment District 96-1, the City has not historically instituted foreclosure proceedings with respect to delinquent properties within Reassessment District No. 96-1 in accordance with the covenant described in the immediately preceding paragraph. The City has historically complied with its covenants to commence foreclosure with respect to properties in Assessment District No. 98-2 and 99-1. In connection with the issuance of the Bonds, the City's foreclosure covenant with respect to properties in Reassessment District No. 96-1 will be amended such that, notwithstanding any delinquency in Reassessment District No. 96-1, the City shall not be required to commence or prosecute any foreclosure action so long as (i) the City, in its sole discretion, advances funds to the Local Obligation

Redemption Fund for the Local Obligations associated with Reassessment District No. 96-1 sufficient in both time and amount to pay when due scheduled principal of and interest on such Local Obligations 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).

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 "RISK FACTORS - Bankruptcy and Foreclosure" and "-Collection of the Assessment" herein.

No Additional Bonds

The Trust Agreement does not authorize the issuance of any additional bonds payable from or secured by a lien and charge upon the Revenues equal to and on a parity with the lien and charge securing the Bonds.

Refunding of Local Obligations

In the Trust Agreement, the City covenants that it will not cause any Local Obligation to be refunded (in whole or in part) unless at the time of such refunding no Bonds will be Outstanding pursuant to the Trust Agreement.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("**AGM**" or the "**Insurer**") will issue its Municipal Bond Insurance Policy for the Bonds (the "**Policy**" or the "**Municipal Bond Insurance Policy**"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as Appendix F to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Assured Guaranty Municipal Holdings Inc. ("**Holdings**"). Holdings is an indirect subsidiary of Assured Guaranty Ltd. ("**AGL**"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance,

infrastructure and structured finance markets. No shareholder of AGL, Holdings or AGM is liable for the obligations of AGM.

AGM's financial strength is rated "AA-" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("**S&P**") and "Aa3" (on review for possible downgrade) by Moody's Investors Service, Inc. ("**Moody's**"). An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. On March 20, 2012, Moody's issued a press release stating that it had placed AGM's "Aa3" insurance financial strength rating on review for possible downgrade. AGM can give no assurance as to any further ratings action that Moody's may take. Reference is made to the press release, a copy of which is available at www.moodys.com, for the complete text of Moody's comments.

On November 30, 2011, S&P published a Research Update in which it downgraded AGM's financial strength rating from "AA+" to "AA-". At the same time, S&P removed the financial strength rating from CreditWatch negative and changed the outlook to stable. AGM can give no assurance as to any further ratings action that S&P may take. Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012.

Capitalization of AGM. At March 31, 2012, AGM's consolidated policyholders' surplus and contingency reserves were approximately $3,123,869,658 and its total net unearned premium reserve was approximately $2,275,867,231, in each case, in accordance with statutory accounting principles.

AGM's statutory financial statements for the fiscal year ended December 31, 2011, and for the quarterly period ended March 31, 2012, which have been filed with the New York State Department of Financial Services and posted on AGL's website at http://www.assuredguaranty.com, are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

Incorporation of Certain Documents by Reference. Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "**SEC**") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (filed by AGL with the SEC on February 29, 2012); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (filed by AGL with the SEC on May 10, 2012).

All information relating to AGM included in, or as exhibits to, documents filed by AGL pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "**AGM Information**") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters. AGM or one of its affiliates may purchase a portion of the Bonds or any uninsured bonds offered under this Official Statement and may hold such Bonds or uninsured bonds for investment or may sell or otherwise dispose of such Bonds or uninsured bonds at any time or from time to time.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

THE ASSESSMENT DISTRICTS

The County of Contra Costa and City of Brentwood

Contra Costa County was incorporated in 1948 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 1,061,132 as of July 1, 2011, 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 22 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 the City 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 downtown of the City) and residential neighborhoods in the peripheral areas of the City.

The City experienced a period of growth from the mid 1990's to the mid 2000's. During this time period, the population of the City more than tripled. Since that time, the City has seen very little residential development activity and property valuations have fallen substantially from their peak. In general, the recession has had far greater impacts in communities, such as Brentwood's, which experienced high growth rates and property appreciation during the previous decade. New single family residential building permits have fallen from an average of over 1,400 per year to approximately 100 per year. The financial challenges resulting from the decline in development activity have been exacerbated by a corresponding decline in property values. Property taxes, the General Fund's top revenue source, is expected to decline for a fifth consecutive year in FY 2012/13, with a total decline of 33% since FY 2007/08.

For more demographic and economic information regarding the City, See "APPENDIX B – ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF BRENTWOOD."

The Assessment Districts

The Districts are located in areas of new home developments within the City. The area in the vicinity of the Districts generally consists of rural land, which had previously been used for agricultural or grazing purposes and has recently become interspersed residential development. The primary north/south arterial in the neighborhood is Fairview Avenue. The primary east/west arterial is Balfour Road. Fairview Avenue and Balfour Road were formerly two lane, paved public arterials with stop signs at major intersections. Highway access to the area is available from Balfour Road. Supporting commercial developments are located within an approximate two mile radius of the Districts in downtown Brentwood.

Reassessment District 96-1. Reassessment District 96-1 covers approximately 775 non-contiguous acres located throughout various portions of the City. The area is fully developed and consists of 2,267 single family residences and 1 commercial parcel.

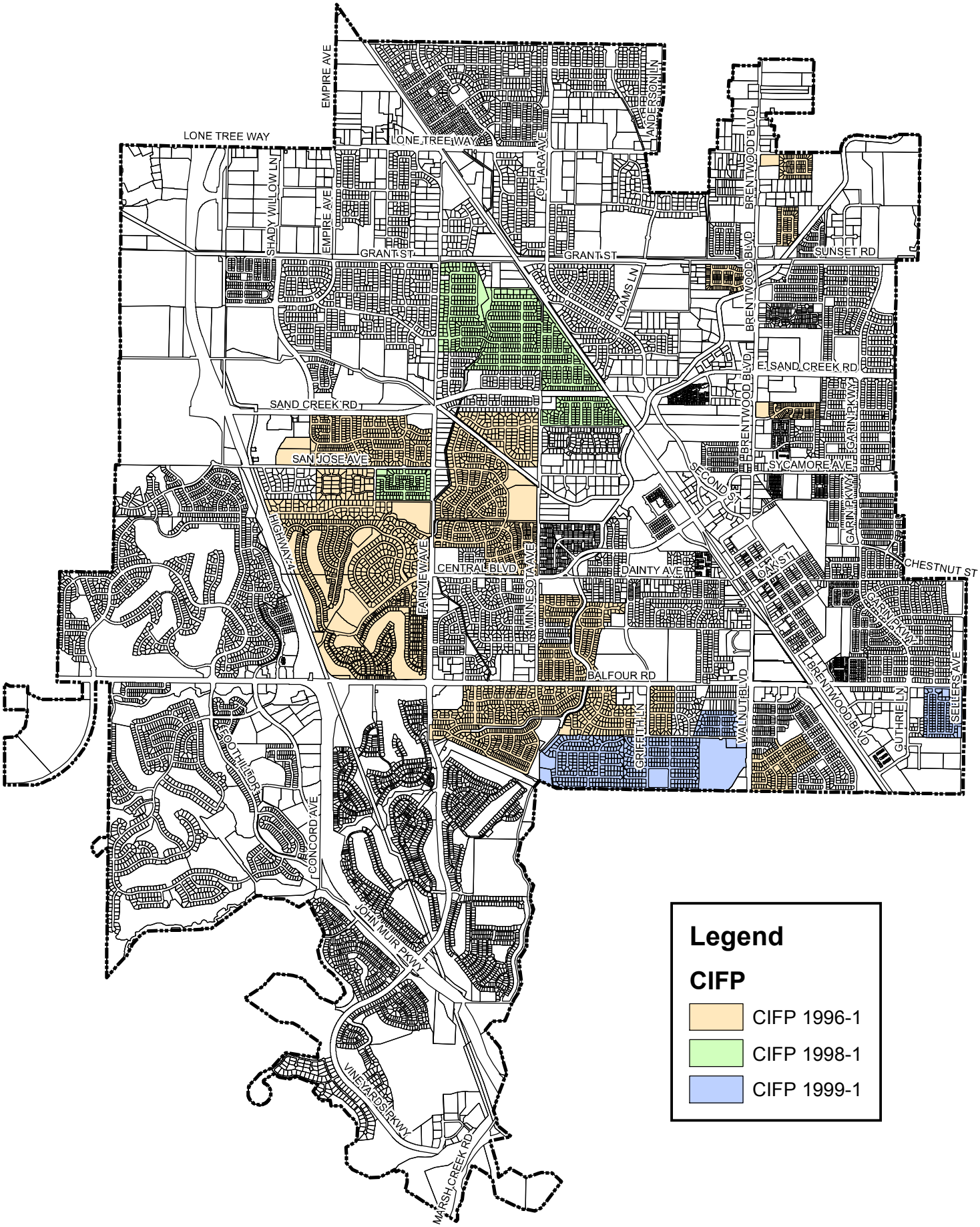
Assessment District 98-2. Assessment District 98-2 is located within the northwestern portion of the City and is generally bounded by Minnesota Avenue to the north, Southern Pacific Railroad to the east, Sand Creek Road to the south and Fairview Avenue to the west, with an additional area located at the southwest corner of San Jose Avenue and Fairview Avenue. The area is comprised of approximately 209 acres. The area is fully developed and consists of 849 single family residential lots.

Assessment District 99-1. Assessment District 99-1 is comprised of approximately 201 acres. The area within the District comprises 7 residential tracts in various non-contiguous locations in the City. All parcels are fully developed, including 777 single family residences and 3 commercial parcels.

Map of the Districts

The location of the Districts and certain property within the Districts is shown on the following page.

CIFP



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Zoning

All of the properties in the Districts are located within the City and the majority of the parcels are zoned as Residential with a few Commercial Developments which are site specific and are typically used in large master planned communities.

Flood Zones

The majority of the property within the Districts is located in areas designated as Flood Zone C. The area is described as areas of minimal flooding. Properties located in this zone are not required to purchase flood insurance.

Method of Assessment

Reassessment District No. 96-1. At the time of formation of Reassessment District No. 96-1, the estimated total amount of the Series 1996 Bonds was apportioned among the parcels with unpaid assessments within the boundaries of Reassessment District No. 96-1. The amount was distributed in proportion to the ratio of the unpaid balance on the original assessment for each individual parcel within such District to the total unpaid balance on the original assessment of all of the parcels within such District. The estimated amount of each reassessment, identified by reassessment number, is shown in the reassessment report prepared by Muni Financial Services, Inc., as reassessment engineer, and is on file with the City.

Assessment District Nos. 98-2 and 99-1. The 1913 Act does not define specific formulas for allocation of project costs among the parcels within each of these Districts. The 1913 Act, however, requires each parcel to be assessed its share of the project costs in accordance with the benefit conferred on each parcel by construction of 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. At the time of formation of these Districts, the Chief Engineer of the City, as the initial Engineer of Work for these Districts, provided the assessment spread formula for each such District. The assessment spread formula as originally set forth in the Engineer's Report for each such District provided for an assessment amount for each large lot parcel in the related District, which per-parcel amount was allocated to the subdivided lots in such District as subdivision of the property occurred. The formula for use in determining the portion of the assessment within each District which is allocable to each subdivided lot based on the anticipated subdivision plans set forth in the tentative and final maps and other information available to the Engineer of Work from the City.

The outstanding principal amount of assessments per typical single family residence vary from approximately $460.29 to approximately $8,285.12 in Reassessment District 96-1, from approximately $7,763.07 to approximately $9,847.23 in Assessment District 98-2 and from approximately $8,456.86 to approximately $9,720.06 in Assessment District 99-1, with respective annual assessment installments per residence varying from approximately $146.31 to approximately $1,994.18 in Reassessment District 96-1, approximately $82.36 to approximately $1,314.83 in Assessment District 98-2, and approximately $249.03 to approximately $1,242.18 in Assessment District 99-1. See "OWNERSHIP AND VALUE OF PROPERTY WITHIN THE DISTRICTS – Value to Lien Ratios" below.

OWNERSHIP AND VALUE OF PROPERTY WITHIN THE DISTRICTS

Ownership of Property

Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the Districts 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. Neither the City nor any Owner of Bonds will have the ability at any time to seek payment from the owners of property within the Districts 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 Districts.

The property in the Districts is comprised principally of homes occupied by homeowners. The following tables show the top ten payers of the assessments of the Districts.

City of Brentwood
Reassessment District 96-1
Top 10 Taxpayers[1]

Owner	Remaining Assessment	Percent of Total Assessments
Sunset Plaza Properties LLC	$ 72,498	0.87%
Federal National Mortgage Assn	10,309	0.12
Decastro Mathyl	8,285	0.10
Green Leaf Properties LLC	8,285	0.10
Markovetski Roman	8,285	0.10
Pedro Andre & Julia	8,285	0.10
Deutsche Bank Natl TR CO	8,285	0.10
Holling Allen L & Shirley	8,285	0.10
Chen Eugene & Diana	8,285	0.10
Lopez Anthony	8,285	0.10
TOTAL	$149,088	1.79%

[1] Does not include a total of ten bank owned parcels with an aggregate remaining assessment lien of approximately $36,866.
Source: Contra Costa County 2011-12 Secured Property Roll.

City of Brentwood
Assessment District 98-2
Top 10 Taxpayers[1]

Owner	Remaining Assessment	Percent of Total Assessments
Federal Home Loan Mortgage	$ 27,135	0.36%
Pilgrim Ronnie & Kristin	18,030	0.24
Rocha John & Cynthia	18,015	0.24
US Bank Trust NA	17,877	0.24
Phillips Betty I	16,827	0.22
Alayube Salah	9,847	0.13
Aulakh Jasdeep & Ravinder	9,847	0.13
Bali Satish & Prema	9,847	0.13
Bates Michael K & Lori	9,847	0.13
TOTAL	$147,120	1.94%

[1] Does not include a total of eight bank owned parcels with an aggregate remaining assessment lien of approximately $72,779.
Source: Contra Costa County 2011-12 Secured Property Roll.

City of Brentwood
Assessment District 99-1
Top 10 Taxpayers[1]

Owner	Remaining Assessment	Percent of Total Assessments
Brentwood Walnut B LLC	$ 98,221	1.38%
Federal National Mortgage Assn	36,299	0.51
Bank of New York Mellon	19,440	0.27
Eliopoulos Gus J & Maria G	19,330	0.27
2006 Salvador A Lopez Fam Tr	18,525	0.26
Cervantes Januario & Aida	18,525	0.26
JMP Fund LLC	18,122	0.26
Dai Wei	17,719	0.25
US Bank Natl Assn	17,719	0.25
Lopoz Afrodesia C	16,914	0.24
TOTAL	$280,813	3.96%

[1] Does not include a total of nine bank owned parcels with an aggregate remaining assessment lien of approximately $82,720.
Source: Contra Costa County 2011-12 Secured Property Roll.

Direct and Overlapping Debt

Set forth below are schedules of direct and overlapping debt for the Districts prepared by California Municipal Statistics Inc. The tables are included for general information purposes only. The City has not reviewed these tables for completeness or accuracy and makes no representations in connection therewith.

The first column in the tables name each public agency which has outstanding debt as of June 30, 2011, and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the tables) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The tables generally includes long-term obligations sold in the public credit markets by the public agencies listed. Such long-term obligations generally are not payable from revenues of the City or the District (except as indicated) nor are they necessarily obligations secured by land within the City or the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

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CITY OF BRENTWOOD REASSESSMENT DISTRICT NO. 96-1

2011-12 Local Secured Assessed Valuation: $573,764,083

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 3/1/12	
Bay Area Rapid Transit District General Obligation Bonds	0.12%	$482,672	
Contra Costa Community College District General Obligation Bonds	0.41	918,339	
Liberty Union High School District General Obligation Bonds	5.266	3,008,466	
Brentwood Union School District General Obligation Bonds	9.544	4,922,290	
City of Brentwood General Obligation Bonds	10.25	487,385	
East Bay Regional Park District General Obligation Bonds	0.179	231,850	
City of Brentwood Reassessment District No. 96-1 Special Assessment Bonds	**100**	**6,306,947**	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$16,357,949	

OVERLAPPING GENERAL FUND DEBT:	% Applicable (2)	Debt 3/1/12
Contra Costa County General Fund Obligations	0.43%	$1,367,049
Contra Costa County Pension Obligations	0.428	1,711,315
Contra Costa Community College District Certificates of Participation	0.43	3,978
Brentwood Union School District Certificates of Participation	9.718	254,475
City of Brentwood General Fund Obligations	10.608	6,687,814
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$10,024,631
Less: Contra Costa County General Fund Obligations supported by revenue funds		518,950
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$9,505,681
GROSS COMBINED TOTAL DEBT		$26,382,580 (3)
NET COMBINED TOTAL DEBT		$25,863,630

(1) Excludes 1915 Act bonds to be sold.
(2) Based on redevelopment adjusted assessed valuation of $535,748,311
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2011-12 Local Secured Assessed Valuation:

Direct Debt ($6,306,947)	**1.10%**
Total Direct and Overlapping Tax and Assessment Debt	2.85%
Gross Combined Total Debt	4.60%
Net Combined Total Debt	4.51%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: $0

CITY OF BRENTWOOD ASSESSMENT DISTRICT NO. 98-2

2011-12 Local Secured Assessed Valuation: $245,762,150

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 3/1/12
Bay Area Rapid Transit District General Obligation Bonds	0.05%	$206,270
Contra Costa Community College District General Obligation Bonds	0.176	394,214
Liberty Union High School District General Obligation Bonds	2.256	1,288,853
Brentwood Union School District General Obligation Bonds	4.088	2,108,374
City of Brentwood General Obligation Bonds	4.39	208,743
East Bay Regional Park District General Obligation Bonds	0.077	99,734
City of Brentwood Assessment District No. 98-2 Special Assessment Bonds	**100**	**7,305,258**
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$11,611,446
OVERLAPPING GENERAL FUND DEBT:		
Contra Costa County General Fund Obligations	0.20%	$629,226
Contra Costa County Pension Obligations	0.197	787,685
Contra Costa Community College District Certificates of Participation	0.197	1,822
Brentwood Union School District Certificates of Participation	4.458	116,737
City of Brentwood General Fund Obligations	4.866	3,067,770
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$4,603,240
Less: Contra Costa County General Fund Obligations supported by revenue funds		238,863
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$4,364,377
GROSS COMBINED TOTAL DEBT		$16,214,686
NET COMBINED TOTAL DEBT		$15,975,823

(1) Excludes 1915 Act bonds to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2011-12 Local Secured Assessed Valuation:	
Direct Debt ($7,305,258)	**2.97%**
Total Direct and Overlapping Tax and Assessment Debt	4.72%
Gross Combined Total Debt	6.60%
Net Combined Total Debt	6.50%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: $0

CITY OF BRENTWOOD ASSESSMENT DISTRICT NO. 99-1

2011-12 Local Secured Assessed Valuation: $227,822,165

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 3/1/12	
Bay Area Rapid Transit District General Obligation Bonds	0.05%	$189,768	
Contra Costa Community College District General Obligation Bonds	0.163	365,096	
Liberty Union High School District General Obligation Bonds	2.091	1,194,588	
Brentwood Union School District General Obligation Bonds	3.79	1,954,681	
City of Brentwood General Obligation Bonds	4.07	193,528	
East Bay Regional Park District General Obligation Bonds	0.071	91,963	
City of Brentwood Assessment District No. 99-1 Special Assessment Bonds	**100**	**6,872,013**	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$10,861,637	

OVERLAPPING GENERAL FUND DEBT:	% Applicable (2)	Debt 3/1/12
Contra Costa County General Fund Obligations	0.17%	$542,987
Contra Costa County Pension Obligations	0.17	679,728
Contra Costa Community College District Certificates of Participation	0.17	1,573
Brentwood Union School District Certificates of Participation	3.849	100,790
City of Brentwood General Fund Obligations	4.201	2,648,520
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$3,973,598
Less: Contra Costa County General Fund Obligations supported by revenue funds		206,125
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$3,767,473
GROSS COMBINED TOTAL DEBT		$14,835,235 (3)
NET COMBINED TOTAL DEBT		$14,629,110

(1) Excludes 1915 Act bonds to be sold.
(2) Based on redevelopment adjusted assessed valuation of $212,192,412
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2011-12 Local Secured Assessed Valuation:	
Direct Debt ($6,872,013)	**3.02%**
Total Direct and Overlapping Tax and Assessment Debt	4.77%
Gross Combined Total Debt	6.51%
Net Combined Total Debt	6.42%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: $0

Valuation of Property in the Districts

The value of the land within the Districts is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of assessments, the City's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Assessments. See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR - Covenant to Commence Superior Court Foreclosure" and "RISK FACTORS - Bankruptcy and Foreclosure." Reductions in District property values due to a downturn in the economy, natural disasters

such as earthquakes or floods, stricter land use regulations or other events could have an adverse impact on the security for payment of assessments.

Assessed Valuations. In connection with valuing property in the Districts, the City has obtained the 2011-2012 County assessed valuation (the "**Assessed Valuation**") of the property in the Districts. As provided by Article XIII A of the California Constitution, county assessors' assessed values are to reflect market value as of the date the property was last assessed (or 1975, whichever is more recent), increased by a maximum of 2% per year. Properties may be reassessed by the County only upon a change of at least 51% ownership of existing property or upon new construction. The assessed values of parcels in the Districts thus reflect, for undeveloped parcels, the estimate of the County Assessor (the "**Assessor**") of market value when acquired (or 1975, whichever is later), possibly increased by 2% per year, and for parcels on which construction has occurred since their date of acquisition, the Assessor's estimate of market value as of the time of construction, possibly increased by 2% per year. The actual market value of parcels in the Districts, if sold at foreclosure, may be higher or lower than the Assessor's assessed values, depending upon the date of the Assessor's most recent assessment. The actual fair market value of any parcel can often be more accurately established through an arms-length sale or an appraisal by an independent appraiser.

The following table sets forth the historical assessed valuation for the property in the Districts for the past six years.

City of Brentwood
Reassessment District 96-1, Assessment District 98-2, Assessment District 99-1
Historical Assessed Valuation

Fiscal Year	Reassessment District 96-1	Assessment District 98-2	Assessment District 99-1	Total
2006-07	$767,556,491	$728,497,175*		$1,496,053,666
2007-08	$798,259,675	$383,242,581	$368,629,142	$1,550,131,398
2008-09	$737,910,958	$343,898,189	$327,136,481	$1,408,945,628
2009-10	$619,871,816	$263,985,720	$246,755,727	$1,130,613,263
2010-11	$597,037,076	$257,028,660	$244,393,143	$1,098,458,879
2011-12	$574,553,938	$246,112,685	$228,055,855	$1,048,722,478

* $728,497,175 represents FY 2006-07 combined assessed value of Assessment District 98-2 and Assessment District 99-1. Individual district assessed valuation is unavailable.
Source: Contra Costa County Secured Property Rolls.

Value to Lien Ratios

The aggregate assessed valuation of the real property within the Districts for 2011-12 is $1,048,722,478. The principal amount of the outstanding assessments for the Districts (excluding the 2011-12 principal amount, which has been collected by the City) is $23,006,694. Consequently, the aggregate value of the real property within the Districts is 45.58 times the aggregate principal amount of outstanding assessments. The City has collected $1,540,000 of principal amount of the assessments as the amount due on the 2011-12 roll.

The following tables summarize the value to lien ratios by land use for property in the Districts.

City of Brentwood
Reassessment District 96-1
Summary of Values

	No. Resid. Units	Remaining Assessment Lien	2011-12 Assessed Value	Value to Lien
Single Family Residence	2,267	$8,270,510	$569,974,938	68.92
Commercial	1	72,498	4,579,000	63.16
TOTAL	2,268	$8,343,008	$574,553,938	68.87

Source: Contra Costa County 2011-12 Secured Property Roll.

City of Brentwood
Assessment District 98-2
Summary of Values

	No. Resid. Units	Remaining Assessment Lien	2011-12 Assessed Value	Value to Lien
Single Family Residence	849	$7,568,071	$246,112,685	32.52
TOTAL	849	$7,568,071	$246,112,685	32.52

Source: Contra Costa County 2011-12 Secured Property Roll.

City of Brentwood
Assessment District 99-1
Summary of Values

	No. Resid. Units	Remaining Assessment Lien	2011-12 Assessed Value	Value to Lien
Single Family Residence	777	$6,997,394	$224,698,946	32.11
Commercial	3	98,221	3,356,909	34.18
TOTAL	780	$7,095,615	228,055,855	32.14

Source: Contra Costa County 2011-12 Secured Property Roll.

City of Brentwood
Reassessment District 96-1
Value to Lien

Value to Lien	Number of Parcels	2011-12 Assessed Value (1)	Remaining Assessment Lien (2)	Percent of Remaining Assessment Lien
Greater than 100:1	387	$113,717,364	$814,889	9.77%
80:1 to 99.99:1	178	$53,945,433	$629,469	7.54%
60:1 to 79.99:1	919	$255,647,306	$3,746,011	44.90%
40:1 to 59.99:1	645	$132,463,158	$2,606,287	31.24%
20:1 to 39.99:1	134	$18,481,386	$525,639	6.30%
10:1 to 19.99:1	4	$261,479	$16,570	0.20%
Less than 9.99:1	1	$37,812	$4,143	0.05%
Total	2,268	$574,553,938	$8,343,008	100.00%

(1) *Source*: Contra Costa County 2011-12 Secured Property Roll
(2) Assumes the FY 2010-11 and prior year's debt service payments have been made.

City of Brentwood
Assessment District 98-2
Value to Lien

Value to Lien	Number of Parcels	2011-12 Assessed Value [1]	Remaining Assessment Lien [2]	Percent of Remaining Assessment Lien
Greater than 60:1	0	$0	$0	0.00%
40:1 to 59.99:1	59	$21,109,868	$508,437	6.72%
30:1 to 39.99:1	521	$159,761,429	$4,652,825	61.48%
20:1 to 29.99:1	265	$64,901,159	$2,371,814	31.34%
15:1 to 19.99:1	1	$136,993	$7,763	0.10%
10:1 to 14.99:1	1	$119,191	$9,160	0.12%
4:1 to 9.99:1	1	$54,698	$9,008	0.12%
Less than 4:1	1	$29,347	$9,064	0.12%
Total	849	$246,112,685	$7,568,071	100.00%

(1) *Source*: Contra Costa County 2011-12 Secured Property Roll
(2) Assumes the FY 2010-11 and prior year's debt service payments have been made.

City of Brentwood
Assessment District 99-1
Value to Lien

Value to Lien	Number of Parcels	2011-12 Assessed Value [1]	Remaining Assessment Lien [2]	Percent of Remaining Assessment Lien
Greater than 60:1	1	$2,565,250	$32,740	0.46%
40:1 to 59.99:1	118	$45,484,861	$1,057,510	14.90%
30:1 to 39.99:1	355	$108,613,198	$3,092,044	43.58%
20:1 to 29.99:1	298	$69,904,174	$2,793,073	39.36%
15:1 to 19.99:1	1	$160,204	$9,262	0.13%
10:1 to 14.99:1	7	$1,328,168	$110,987	1.56%
Less than 10:1	0	$0	$0	0.00%
Total	780	$228,055,855	$7,095,616	100.00%

(1) *Source*: Contra Costa County 2011-12 Secured Property Roll
(2) Assumes the FY 2010-11 and prior year's debt service payments have been made.

In comparing the aggregate value of the real property within the Districts and the principal amount of the Bonds, it should be noted that only the Assessor's parcel of real property upon which there is a delinquent Assessment can be foreclosed upon. All of the real property within the Districts cannot be foreclosed upon as a whole to pay delinquent Assessments unless all of the property is subject to delinquent Assessments. Individual parcels may be foreclosed upon to pay delinquent Assessments levied against such parcels only.

The principal amount of the Bonds will not be allocated pro-rata among the parcels within the Districts; rather, the annual Assessment installments for the Districts will be billed annually for each

parcel within the Districts. Upon sale of developed parcels, the buyer typically acquires the property subject to the unpaid portion of any special taxes and assessments levied against the parcel purchased. Special taxes and assessments are not required to be removed from the property and are not required to be, but may be, paid off in full upon transfer of property or upon development of the property.

Property Tax Status

The City reports that the delinquency rate for taxes and assessments for property in the Districts has been less than 5% since the levy of the Assessments. See also, "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR – Contra Costa County Tax Loss Reserve." The following tables set forth the delinquencies on the payment of the assessments in the Districts for the past five years.

City of Brentwood
Reassessment District 96-1
Annual Delinquency

Fiscal Year	Number of Parcels	Number of Parcels Delinquent	Annual Assessment	Amount Delinquent	Percent Delinquent	Date of Delinquency Information
2006-07	2,269	71	$1,498,368	$43,803	2.92%	11/26/2007
2007-08	2,268	138	$1,492,323	$84,903	5.69%	07/02/2008
2008-09	2,268	116	$1,494,323	$64,380	4.31%	07/21/2009
2009-10	2,268	130	$1,451,725	$68,327	4.71%	04/20/2010
2010-11	2,268	96	$1,508,762	$46,517	3.08%	04/18/2011

Source: Contra Costa County

City of Brentwood
Assessment District 98-2
Annual Delinquency

Fiscal Year	Number of Parcels	Number of Parcels Delinquent	Annual Assessment	Amount Delinquent	Percent Delinquent	Date of Delinquency Information
2006-07	850	35	$704,060	$24,257	3.45%	11/26/2007
2007-08	849	80	$700,233	$53,143	7.59%	07/02/2008
2008-09	849	60	$702,754	$43,517	6.19%	07/21/2009
2009-10	849	60	$671,870	$39,640	5.90%	04/20/2010
2010-11	849	53	$695,259	$29,539	4.25%	04/18/2011

Source: Contra Costa County

City of Brentwood
Assessment District 99-1
Annual Delinquency

Fiscal Year	Number of Parcels	Number of Parcels Delinquent	Annual Assessment	Amount Delinquent	Percent Delinquent	Date of Delinquency Information
2006-07	780	41	$660,783	$27,044	4.09%	11/26/2007
2007-08	780	65	$634,335	$45,863	7.23%	07/02/2008
2008-09	780	46	$630,659	$29,821	4.73%	07/02/2009
2009-10	780	46	$628,186	$38,959	6.20%	04/20/2010
2010-11	780	41	$646,603	$24,019	3.71%	04/18/2011

Source: Contra Costa County

RISK FACTORS

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 Statutes, 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. Scheduled assessment installments are in aggregate amounts sufficient for payment of 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 Districts 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. 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 Districts is a critical factor in determining the investment quality of the Bonds. The future unpaid assessments are not required to be paid upon sale of property within the Districts. 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. See "Owners Not Obligated to Pay Bonds or Assessments" below.

In order to pay debt service on the Bonds, it is necessary that unpaid installments of assessments on land within the Districts are paid in a timely manner. The assessments are secured by a lien on the parcels within the Districts 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. No reserve account has been established by the City as a source of payment of the Local Obligations.

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 owners of the Bonds 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 Districts 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 chose 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 will result in such owner's interest in the property being transferred to another party. Neither the City nor any owner of Bonds will have the ability at any time to seek payment from the owners of property within the Districts 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 Districts.

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," described herein. The Reserve Requirement 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.

Limited Obligation Upon Delinquency

The Issuer's obligation to advance moneys to pay Bond debt service in the event of delinquent assessment installments shall not exceed the balance in the Reserve Fund. The City has made an election not to be obligated to advance funds of the City for delinquent assessment installments pursuant to the

Local Obligation Statutes. During the period of delinquency if there are insufficient funds in the Reserve Fund, a delay may occur in payments to Owners of Bonds. Notwithstanding the foregoing, the City may, at its sole option and at its sole discretion, elect to advance available surplus funds of the City to pay for any delinquent assessment installments pending sale, reinstatement or redemption of any delinquent property.

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 Statutes, 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 Statutes, 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. Amendments to the Local Obligation Statutes enacted in 1988 and effective January 1, 1989 provide 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 Statutes 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 Statutes. 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 owners of Bonds or, under certain circumstances, if owners of 75% or more of the outstanding Bonds consent to such sale. However, 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 each 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 owners 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 "RISK FACTORS - Bankruptcy and Foreclosure" herein.

Property Values

A land value determined by a county assessor or an appraiser is an opinion with respect to the market value, and is generally based 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 the county assessor or an appraiser, or that it will be sufficient to pay delinquent installments of unpaid assessments.

Parity Taxes and Special Assessments

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

Future Overlapping Indebtedness

The ability of an owner of land within the Districts 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 Districts could, without the consent of the City, and in certain cases without the consent of the owners of the land within the Districts, impose additional taxes or assessment liens on the property within the Districts to finance public improvements to be located inside of or outside of the Districts.

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.

Recent Events in the Real Estate Market

In the past several years, the housing and mortgage markets in most parts of the United States have been under pressure due to many economic factors, including the tightening of credit standards, reduction of access to mortgage capital, and interest rate adjustments on many adjustable rate mortgages which have caused property owners to default on their mortgages. Foreclosures have increased to record levels as a result of these factors, and residential property values in most areas of the country have generally declined. The Issuer and the City cannot predict what impact, if any, a continued downturn in the national and local housing market may have on the Contra Costa County area markets and assessed values in the Districts.

Bond Insurance

In the event of default of the payment of the scheduled principal or interest with respect to the Bonds when all or some becomes due, the Trustee on behalf of any owner of the Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a scheduled mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure redemption premium, if

any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds which is recovered from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment unless the Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may direct and must consent to any remedies and the Insurer's consent may be required in connection with amendments to any applicable documents relating to the Bonds.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the Trust Estate as provided in the Trust Agreement. In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Bonds will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "RATINGS" herein.

The obligations of the Insurer are unsecured contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

None of the Issuer, the City or the Underwriter have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Issuer to pay principal and interest on the Bonds from the Trust Estate as provided in the Trust Agreement and the claims paying ability of the Insurer, particularly over the life of the investment. See "BOND INSURANCE" herein for further information regarding the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

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.

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.

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 top 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 Acts. 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 Bonds, 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 1997-1998, in amounts equal to the principal of and interest on the Local Obligations 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 Bonds 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 Bonds.

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.

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, by and among the City and the former 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 2011-12 fiscal year (the "Annual Report") and to provide notices of the occurrence of certain enumerated events. Such report and notices will be filed by the Trustee on behalf of the City with the with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA"). 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 enumerated events by the City is summarized in "APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT." The City has never failed to comply in any material respect with any previous undertakings with regard to the Rule.

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer. A complete copy of the proposed form

of Bond Counsel opinion is contained in APPENDIX C hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain matters will be passed upon for the Issuer and the City by the City Attorney of the City.

TAX MATTERS

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

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.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. As one example, the Obama Administration recently announced a legislative proposal which, for tax years beginning on or after January 1, 2013, generally would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, 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 (the "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 the City, 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 and the City have 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, the City 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, the City 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 or the City 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, the City 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 Bonds or the collection of assessments levied by the City in the Districts or in any way contesting or affecting the validity of the Bonds, the Trust Agreement, the Local Obligations, the Local Obligation Resolutions or any proceedings of the Issuer or the City taken with respect to the execution or delivery thereof.

FINANCIAL ADVISOR

Del Rio Advisors, LLC, Modesto, California (the "**Financial Advisor**"), has served as Financial Advisor to the Authority and the City with respect to the sale of the Bonds. The Financial Advisor has assisted the City in the review of this Official Statement and in other matters relating to the planning, structuring, execution and delivery of the Bonds. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the City to determine the accuracy or completeness of this Official Statement. Due to its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Financial Advisor will receive compensation from the City contingent upon the sale and delivery of the Bonds.

RATINGS

Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("**S&P**") is expected to rate the Bonds "AA-" (stable outlook) with the understanding that, upon issuance of the Bonds, the Policy will be issued by the Insurer. S&P has assigned an underlying rating of "A-" to the Bonds. Such ratings reflect only the views of S&P and any desired explanation of the significance of such ratings should be obtained only from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. The Issuer, the City and the Underwriter have undertaken no responsibility either to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such ratings or to oppose any such proposed revision or withdrawal. Any such downward change in or withdrawal of the ratings might have an adverse effect on the market price or marketability of the Bonds.

UNDERWRITING

RBC Capital Markets, LLC, the Underwriter of the Bonds, has agreed to purchase the Bonds from the Issuer at a purchase price of $22,537,693.45, being the aggregate principal amount of the Bonds less an Underwriter's discount of $223,950.00, plus net original issue premium of $366,643.45. 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 Resolutions, the Bonds, the Acts, the Local Obligation Statutes 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, the Bonds or the Local Obligations.

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 _____
Treasurer/Controller

CITY OF BRENTWOOD

By _____
Director of Finance & Information Systems

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APPENDIX A

SUMMARY OF THE TRUST AGREEMENT

The following is a summary of certain provisions of the Trust Agreement. This summary does not purport to be a definitive or comprehensive summary of all of the provisions of the Trust Agreement. This summary is qualified in its entirety by reference to the full text of the Trust Agreement.

Definitions

"Accountant" shall mean an independent certified public accountant, or a firm of independent certified public accountants, selected by the Issuer.

"Accountant's Certificate" shall mean a certificate signed by an independent certified public accountant of recognized national standing selected by the Issuer, or a firm of independent certified public accountants of recognized national standing.

"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.

"Amended and Restated Trust Agreement" or "Trust Agreement" shall mean the Amended and Restated Trust Agreement dated as of June 1, 2012, among the City, 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.

"Annual Debt Service" shall mean, for each Fiscal Year, the sum of (1) the interest falling due on all Outstanding Bonds in such Fiscal 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 Fiscal Year.

"Assessment Districts" shall mean the City of Brentwood Reassessment District 96-1, the City of Brentwood Assessment District No. 98-2 and the City of Brentwood Assessment District No. 99-1, for which the Local Obligations were issued.

"Authorized Denominations" shall mean five thousand dollars ($5,000) and any integral multiple thereof, but not exceeding the principal amount of the 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 Amended and Restated Trust Agreement, and, when used with reference to the City, shall mean the City Manager, City Treasurer, Director of Finance and Information Systems or any other Person authorized by the City in a Written Order or resolution to perform an act or sign a document on behalf of the City for the purposes of the Amended and Restated Trust Agreement.

"Bond" or "Bonds" shall mean the Brentwood Infrastructure Financing Authority Infrastructure Revenue Refunding Bonds, Series 2012A, authorized and issued by the Issuer and authenticated by the Trustee and delivered under the Amended and Restated Trust Agreement.

"Bond Insurer" means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

"Bond Insurance Policy" means the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"Bond Counsel" shall mean Orrick, Herrington & Sutcliffe LLP or another 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 Amended and Restated Trust Agreement.

"Bond Year" shall mean the 12 month period ending September 2, provided, that the first Bond Year shall commence on the Dated Date and end on September 2, 2012.

"Book-Entry Bonds" shall mean any Bonds designated as Book-Entry Bonds pursuant to the Amended and Restated Trust Agreement and registered in the name of the Nominee pursuant to the Amended and Restated Trust Agreement.

"Business Day" shall mean any day other than (i) a Saturday or Sunday or (ii) a day on which the Corporate Trust Office of the Trustee is closed.

"Cash Flow Certificate" shall mean a written certificate executed by a Cash Flow Consultant.

"Cash Flow Consultant" shall mean RBC Capital Markets, LLC; provided, that the Issuer may appoint as the Cash Flow Consultant any other 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, approved by the Bond Insurer appointed and paid by the City or the Issuer and who, or each of whom:

(1) is in fact independent and not under the domination of the City or the Issuer;
(2) does not have any substantial interest, direct or indirect, with the City or the Issuer; and
(3) is not connected with the City or the Issuer as a member, officer or employee of the City or the Issuer, but who may be regularly retained to make annual or other reports to the City 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.

"City" shall mean the City of Brentwood, California, and its successors.

"City Manager" shall mean the City Manager of the City.

"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 June 1, 2012 by and among the Issuer, the City and the Trustee.

"Corporate Trust Office" shall mean the office of the Trustee in San Francisco, California, 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 or such other office specified by the Trustee.

"Coverage Ratio" shall mean the ratio of projected Revenues for the applicable Bond Year plus amounts held in the Coverage Stabilization Fund to Annual Debt Service.

"Coverage Stabilization Fund" shall mean the fund by that name established pursuant to the Amended and Restated Trust Agreement.

"Dated Date" shall mean the date of original issuance of the Bonds.

"Depository" shall mean the securities depository acting as Depository pursuant to the Amended and Restated Trust Agreement.

"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 Amended and Restated Trust Agreement.

"Expense Fund" shall mean the Fund by that name established pursuant to the Amended and Restated Trust Agreement.

"Expenses" shall mean all administrative costs of 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 fees and expenses, amounts necessary to pay to the United States or otherwise to satisfy requirements of the Code and the regulations thereunder 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 Issuer or charges required to be paid by it to comply with the terms of the Amended and Restated Trust Agreement or of the Bonds.

"Fiscal Year" shall mean the fiscal year of the Issuer, which at the date of the Amended and Restated Trust Agreement 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 Reserve Fund, the Redemption Fund, the Expense Fund, the Coverage Stabilization Fund, the Obligation Fund and the Rebate Fund, including all accounts therein.

"Government Obligations" shall mean and include any of the following securities: lawful currency of the United States; State and Local Government Series issued by the United States Treasury (SLGS); United States Treasury bills, notes and bonds; and certificates, receipts or other obligations evidencing direct ownership of, or the right to receive, a specified portion of one or more interest payments or principal payments, or any combination thereof, to be made on any United States Treasury bill, note or bond ("STRIPS").

"Interest Fund" shall mean the Fund by that name established pursuant to the Amended and Restated Trust Agreement.

"Interest Payment Date" shall mean March 2 and September 2 in each year, commencing on September 2, 2012.

"Investment Securities" shall mean and include any of the following securities, to the extent permitted by the laws of the State (the Trustee is entitled to rely upon investment directions of the Issuer as a certification such investment is permitted by such laws):

1. (a) Direct obligations (other than an obligation subject to variation to principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against

the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government sponsored agenda which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC):
  Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
  Senior Debt obligations

- Farm Credit Banks (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives):
  Consolidated system-wide bonds and notes

- Federal Home Loan Banks (FHL Banks):
  Consolidated debt obligations

- Federal National Mortgage Association (FNMA):
  Senior debt obligations
  Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

- Student Loan Marketing Association (SLMA):
  Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or cap date)

- Financing Corporation (FICO):
  Debt obligations

- Resolution Funding Corporation (REFCORP):
  Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short term obligations of which are rated "A-1" or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which issue capital and surplus of at least $5 million-

6. Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

7. Money market funds rated "AAm" or "AAm-G" by S&P, or better, including such funds for which the Trustee or an affiliate provides investment advice or other services.

8. "State Obligations" which means:

   A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by S & P and "Aaa" by Moody's meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank. the long term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's and acceptable to the Insurer, provided that:

A. The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A rated structured financing (with a market value approach);

B. The Trustee or a third party acting solely as agent therefor or for the issuer (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferors books);

C. The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds

thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

D. All other requirements of S&P in respect of repurchase agreements shall be met.

E. The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Insurer), within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Issuer or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (A) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

11. Investment agreements with a domestic or foreign tank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that. by the terms of the investment agreement:

A. interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

B. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Issuer and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

C. the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

D. the Issuer or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Insurer,

E. the investment agreement shall provide that if during its term

i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the providers books) to the Issuer, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moods to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

ii) the providers rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the issuer or the Trustee (who shall give such direction if so directed by the Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Trustee, and

F. The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

G. the Investment agreement must provide that if during its term

i) the provider shall default in its payment obligations, the providers obligations under the Investment agreement shall, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate, and

ii) the provider shall become Insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of Insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate.

12. 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 Amended and Restated Trust Agreement.

13. 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 an Amended and Restated Joint Exercise of Powers Agreement, dated December 1, 2001 by and between the City and the Redevelopment Agency of the City of Brentwood, and the laws of the State, and its successors.

"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.

"Local Obligation Resolutions" shall mean Resolution No. 96-196 adopted by the City Council of the City of Brentwood on November 12, 1996, authorizing issuance of the 1996 Local Obligations, Resolution No. 98-105 adopted by the City Council of the City of Brentwood on June 9, 1998 authorizing issuance of the 1998 Local Obligations and Resolution No. 99-149 adopted by the City Council of the City of Brentwood on June 8, 1999 authorizing issuance of the 1999 Local Obligations.

"Local Obligation Revenues" shall mean the assessments securing the Local Obligations pursuant to the Local Obligation Resolutions and the laws governing the issuance of the Local Obligations.

"Local Obligations" shall mean the 1996 Local Obligations, the 1998 Local Obligations and the 1999 Local Obligations held by the Trustee in the Obligation Fund under the Amended and Restated Trust Agreement.

"1996 Local Obligations" shall mean the City of Brentwood Limited Obligation Refunding Bonds, Reassessment District No. 96-1 issued in the original principal amount of $19,620,000 by the City of Brentwood.

"1998 Local Obligations" shall mean the City of Brentwood Limited Obligation Improvement Bonds, Assessment District No. 98-2 issued in the original principal amount of $9,995,000 by the City of Brentwood.

"1999 Local Obligations" shall mean the City of Brentwood Limited Obligation Improvement Bonds, Assessment District No. 99-1 issued in the original principal amount of $8,865,000 by the City of Brentwood.

"Nominee" shall mean the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Amended and Restated Trust Agreement.

"Obligation Fund" shall mean the fund by that name established pursuant to the Amended and Restated 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 Amended and Restated Trust Agreement, except:

(a) Bonds canceled or surrendered to the Trustee for cancellation pursuant to the Amended and Restated Trust Agreement;

(b) Bonds deemed to have been paid as provided in the Amended and Restated Trust Agreement; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Amended and Restated 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.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Agreement.

"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.

"Prepayment" shall mean any payment with respect to a Local Obligation as a result of prepayments of assessments by property owners which, pursuant to the terms of such Local Obligation, would require all or any portion of such Local Obligation to be redeemed prior to the maturity thereof, in either case whether or not such payment includes any premium or prepayment penalty.

"Principal Fund" shall mean the Fund by that name established pursuant to the Amended and Restated 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, 2012, and ending on the last date on which any Bonds are scheduled to mature.

"Property Owner" shall mean an owner of property within any of the Assessment Districts.

"Rebate Fund" shall mean the Fund by that name established pursuant to the Amended and Restated 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 Amended and Restated Trust Agreement.

"Requisition of the Issuer" shall mean a requisition of the Issuer delivered to the Trustee pursuant to the Amended and Restated Trust Agreement.

"Reserve Fund" shall mean the Fund by that name created pursuant to the Amended and Restated Trust Agreement.

"Reserve Requirement" shall mean $2,063,922.61. The Reserve Requirement shall initially be satisfied by the Reserve Policy in the amount of $1,518,922.61 and a cash deposit in the amount of $545,000.00. The cash portion of the Reserve Requirement shall be reduced for any reduction required pursuant to the Amended and Restated Trust Agreement as a result of Property Owner Prepayments. The Reserve Policy shall not be available and shall not be drawn upon to make transfers pursuant to the Amended and Restated Trust Agreement as a result of Property Owner Prepayments and the portion of the Reserve Requirement satisfied by the Reserve Policy shall not be reduced as a result of such transfers.

"Reserve Policy" means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Bond Insurer to satisfy a portion of the Reserve Requirement.

"Revenue Fund" shall mean the Fund by that name established pursuant to the Amended and Restated Trust Agreement.

"Revenues" shall mean (i) 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 (ii) all investment earnings on any moneys held in the Funds or accounts established under the Amended and Restated Trust Agreement, except the Rebate Fund.

"Secretary" shall mean the Secretary of the Issuer.

"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 Amended and Restated 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 Amended and Restated Trust Agreement which is duly executed and delivered in accordance with the provisions of the Amended and Restated 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 City 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.

"Trustee" shall mean U.S. Bank National Association, a national banking association, duly organized and existing under the laws of the United States of America, in its capacity as trustee under the Amended and Restated Trust Agreement, and any successor as trustee under the Amended and Restated 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 City, shall mean a written direction of the City to the Trustee signed by an Authorized Officer.

Funds; Flow of Funds

Establishment of Funds

The Amended and Restated Trust Agreement provides for the establishment of the following special trust funds to be held and administered by the Trustee: the Revenue Fund, the Interest Fund, the Principal Fund, the Reserve Fund, the Redemption Fund, the Expense Fund, the Obligation Fund, the Coverage Stabilization Fund and the Rebate Fund.

Obligation Fund.

All Local Obligations shall be held in the Obligation Fund by the Trustee.

Covenant Respecting Redemption Funds for the Local Obligations.

(a) The City expressly acknowledges that, pursuant to the laws applicable to the issuance of the Local Obligations and the Local Obligation Resolutions pursuant to which the Local Obligations were issued by the City and sold to the Issuer, the City is legally obligated to establish and maintain a separate redemption fund for each of the Local Obligations (each a "Local Obligation Redemption Fund") which, for the Local Obligations, are held by U.S. Bank National Association in its capacity as Fiscal Agent under the Local Obligation Resolutions and, so long as any part of the Local Obligations remains outstanding, to deposit into the applicable Local Obligation Redemption Fund, upon receipt, any and all Local Obligation Revenues received by the City. The City further acknowledges that, pursuant to such laws and the Local Obligation Resolutions, 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 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, the Bond Insurer and the Owners from time to time of the Bonds, that it will establish, maintain and administer each Local Obligation Redemption Fund and the Local Obligation Revenues in accordance with their status as trust funds as prescribed by the laws applicable to the issuance of the Local Obligations, the Local Obligation Resolutions, and the Amended and Restated Trust Agreement.

(c) The City further covenants that, no later than ten (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, 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.

Revenues Derived From Property Owner Prepayments.

The City and the Issuer acknowledge that the laws relating to the issuance of the Local Obligations require that amounts received by the City on account of Property Owner Prepayments shall be utilized, in accordance with such laws, for the sole purpose of prior redemption of Local Obligations and not to pay current, scheduled debt service payments on the Local Obligations. Correspondingly, in order to maintain a proper matching between debt service payments on the Local Obligations and debt service payments on the Bonds, it is a requirement of the Amended and Restated Trust Agreement that Revenues received by the Trustee which constituted Property Owner Prepayments when received by the City shall be utilized by the Trustee pursuant to the Amended and Restated Trust Agreement.

Revenue Fund

All Revenues, other than Revenues derived from Property Owner Prepayments (which shall be identified in writing to the Trustee by the City and deposited in the Redemption Fund and administered in accordance with the Amended and Restated Trust Agreement) 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, in the amounts specified in below, for deposit into the respective funds in the order of priority set forth, the requirements of each fund to be fully satisfied, leaving no deficiencies therein, prior to any deposit into any fund later in priority.

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 the 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

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 the 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.

Coverage Stabilization Fund

The Trustee shall establish and maintain a fund to be designated the Coverage Stabilization Fund. Having first satisfied the requirements of the foregoing, the Trustee shall next deposit in the Coverage Stabilization Fund the amount of Revenues necessary to maintain a Coverage Ratio for the then current Bond Year of 1.25:1.00 as certified in writing to the Trustee by the Issuer. All moneys in the Coverage Stabilization Fund shall be used and withdrawn by the Trustee solely for the purpose of (a) 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 or (b) reimbursing the Bond Insurer for draws and other amounts owed in connection with the Bond Insurance Policy, in such order of priority.

Reserve Fund

The Trustee shall deposit in the Reserve Fund the Reserve Policy and a cash deposit pursuant to the Amended and Restated Trust Agreement. All amounts on deposit in the Reserve Fund and all amounts available under the Reserve Policy 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, the Redemption Fund, or the Coverage Stabilization Fund for such purpose. Having first satisfied the requirements of the Interest Fund, the Principal Fund and the Coverage Stabilization Fund, the Trustee shall next deposit in the Reserve Fund an amount of Revenues which, together with the amount of the Reserve Policy and any other amounts on deposit in the Reserve Fund, equal the Reserve Requirement. Such amounts shall be applied in the following order of priority: first, to reimburse the Bond Insurer for any draws on the Reserve Policy, provided, that such reimbursement shall result in reinstatement of the Reserve Policy in the principal amount of such reimbursement; second, to add to the amount of cash on deposit in the Reserve Fund such that the amount of such cash, plus the amount available under the Reserve Policy, is equal to the Reserve Requirement; and third to the payment of any other amounts owing to the Bond Insurer.

Expense Fund

In addition, having first satisfied the requirements of the Interest Fund, the Principal Fund, the Coverage Stabilization Fund and the Reserve Fund, 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 Amended and Restated Trust Agreement. The Issuer shall deliver to the Trustee within thirty (30) days after the beginning of each Fiscal Year a Written Order specifying the amount of Expenses it anticipates will be required to be paid in such Fiscal Year. The Issuer may amend such Written Order at any time during the Fiscal Year by filing a new Written Order with the Trustee which shall supersede all previously filed Written Orders with respect to Expenses. Amounts in the Expense Fund shall be applied by the Trustee to the payment of Expenses.

Transfer to City

Having first satisfied the requirements of the foregoing Revenue Fund (and funds listed thereunder, and Expense Fund), the Trustee shall transfer any remaining Revenues to the City. All amounts transferred to the City pursuant to the Amended and Restated Trust Agreement shall be applied to pay the cost of public capital improvements of the City or other governmental body in accordance with the Tax Certificate.

Redemption Fund

The Trustee shall use amounts in the Redemption Fund for the payment of the redemption price of Bonds called for redemption or the purchase price of Bonds purchased pursuant to the Amended and Restated 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 Amended and Restated 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 Tax Certificate and according to instructions provided by the Issuer. Subject to the provisions of the Amended and Restate 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.

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 Amended and Restated 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 Amended and Restated 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 Amended and Restated Trust Agreement.

Investment of Funds.

(a) So long as the Bonds are Outstanding and there is no default under the Amended and Restated Trust Agreement, moneys on deposit to the credit of the Redemption Fund, the Revenue Fund, the Interest Fund, the Principal Fund, the Reserve Fund, the Coverage Stabilization 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 Amended and Restated 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 Amended and Restated 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 (7) 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) Notwithstanding anything to the contrary contained in the Amended and Restated 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 Amended and Restated 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, the Coverage Stabilization Fund and the Redemption Fund, may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions in the Amended and Restated Trust Agreement for transfer to or holding in particular Funds amounts received or held by the Trustee.

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 amounts on deposit in the Reserve Fund are in excess of the Reserve Requirements, then earnings on the investment of moneys on deposit in the Reserve Fund shall be transferred as provided in the Amended and Restated Trust Agreement.

Covenants of the Issuer and the City

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 Amended and Restated Trust Agreement, the principal of and redemption premium, if any, on and the interest on every Bond issued under and secured by the Amended and Restated Trust Agreement at the place, on the dates and in the manner specified in the Amended and Restated 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.

Enforcement and Amendment of Local Obligations. The City, 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 Bond Insurer and the Owners under the Amended and Restated Trust Agreement.

The City, 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 Amended and Restated 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, or (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.

Except for amendments, changes or modifications provided for as described above, neither the City, the Issuer nor the Trustee shall consent to any amendment, change or modification of any Local Obligation without the consent of the Bond Insurer and 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 Amended and Restated Trust Agreement. If at any time the Issuer and the City, 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 Amended and Restated 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 Amended and Restated 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 City 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 City 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 City 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 City 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.

Continuing Disclosure. The City and the Trustee covenant and agree that they will comply with and carry out all of their respective obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of the Amended and Restated Trust Agreement, failure of the City 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 City or the Trustee to any other persons, including Owners; however, any Owner or beneficial owner of the Bonds may or the Trustee, at the written request of the Owners of at least 25% aggregate principal amount in Outstanding Bonds, 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 City 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 City shall fail to observe or perform in any material way any other agreement, condition, covenant or term contained in the Amended and Restated 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 City, as the case may be, by the Trustee, the Bond Insurer or by the Owner(s) of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding with the consent of the Bond Insurer, 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 City 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, with the Bond Insurer's consent and shall, at the Bond Insurer's direction or at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding shall with the consent of the Bond Insurer (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 Amended and Restated Trust Agreement and to the terms of such 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, the Bond Insurer and the Owners shall be restored to their former positions and rights under the Amended and Restated 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 Amended and Restated Trust Agreement to the contrary notwithstanding, subject to the limitations and restrictions as to the rights of the Owners in the Amended and Restated 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 with the consent of the Bond Insurer shall have the right, upon providing the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Amended and Restated Trust Agreement.

The Trustee may refuse to follow any direction that conflicts with law or the Amended and Restated 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 Amended and Restated 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 Amended and Restated Trust Agreement, or any other remedy under the Amended and Restated 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated Trust Agreement or for any other remedy under the Amended and Restated Trust Agreement, it being understood and intended that no one or more Owners of the Bonds secured by the Amended and Restated Trust Agreement shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Amended and Restated Trust Agreement, or to enforce any rights under the Amended and Restated Trust Agreement or under the Bonds, except in the manner provided in the Amended and Restated Trust Agreement, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Amended and Restated 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 Amended and Restated 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 Amended and Restated 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 Bond Insurer or the Owners of at least a majority in aggregate principal amount of all Outstanding Bonds with the consent of the Bond Insurer, 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 with the consent of the Bond Insurer.

Application of Moneys. (a) 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:

> FIRST - To the payment of the Owners of the Bonds 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 of the Bonds 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 Amended and Restated 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;
>
> THIRD - To be held for the payment to the Owners of the Bonds 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 hereof; and

(b) After having first satisfied all obligations to Owners of Bonds, pursuant to subsection (a) above and any required replenishment of the Reservie Fund (including any reimbursement of the Bond Insurer) and payment of any other amount owed the Bond Insurer, then any remaining moneys received by the Trustee shall be transferred to the City.

(c) 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.

Modification of Trust Agreement and Supplemental Trust Agreements

Supplemental Trust Agreements Without Consent of Owners. The Issuer and the City 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 Amended and Restated Trust Agreement, for any one or more of the following purposes:

(a) to add to the agreements and covenants of the Issuer or the City contained in the Amended and Restated Trust Agreement other agreements and covenants thereafter to be observed, or to surrender any right or

power in the Amended and Restated Trust Agreement reserved to or conferred upon the Issuer or the City; 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 Amended and Restated 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 Amended and Restated Trust Agreement additional collateral or to add other agreements of the Issuer or the City;

(f) to modify the Amended and Restated 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 Amended and Restated Trust Agreement any particular Bond would be affected by any modification or amendment of the Amended and Restated Trust Agreement and any such determination shall be binding and conclusive on the Issuer, the City 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 Amended and Restated 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 City authorized or permitted by the terms of the Amended and Restated 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 Amended and Restated Trust Agreement.

Supplemental Trust Agreements With Consent of Owners. Any modification or alteration of the Amended and Restated Trust Agreement or of the rights and obligations of the Issuer, the City or the Owners of the Bonds may be made with the consent of the Bond Insurer and 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 City of any lien prior to or on a parity with the lien of the Amended and Restated Trust Agreement upon the Trust Estate or which will affect the times, amounts and currency of 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 Amended and Restated 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 Amended and Restated Trust Agreement by the Issuer, including all fees and expenses of the Trustee, then and in that case, the Amended and Restated 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 Amended and Restated Trust Agreement, and the Trustee shall assign and transfer all property to the City (In excess of the amounts required for the foregoing) then held by the Trustee free and clear of any encumbrances as provided in the Amended and Restated Trust Agreement and shall execute such documents as may be reasonably required by the Trustee or the Issuer in this regard.

To accomplish defeasance, the Issuer shall satisfy the conditions as required by the Bond Insurer as set forth in the Amended and Restated Trust Agreement.

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 Amended and Restated 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 Amended and Restated Trust Agreement if: (a) in case said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to mail notice of redemption of such Bonds on such redemption date, such notice to be given in accordance with the provisions of the Amended and Restated Trust Agreement, (b) there shall have been deposited with the Trustee in escrow either moneys in an amount which (as stated in a Cash Flow Certificate) shall be sufficient, or noncallable Government Obligations the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee at the same time, shall be sufficient (as verified by a Cash Flow Certificate), to pay when due the principal of and the redemption premiums, if any, and the interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event any of such Bonds are not to be redeemed within the next succeeding sixty (60) days, the Issuer shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, as soon as practicable in the same manner as a notice of redemption is mailed pursuant to the Amended and Restated Trust Agreement, a notice to the Owners of such Bonds that the deposit required by (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the provisions of the Amended and Restated Trust Agreement described in this paragraph and stating such maturity or redemption dates upon which moneys are to be available for the payment of the principal of and redemption premiums, if any, on and interest on such Bonds. Neither the securities nor moneys deposited with the Trustee pursuant to the provisions of the Amended and Restated Trust Agreement described in this paragraph nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and redemption premiums, if any, on and interest on such Bonds; provided, that any cash received from such principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable and at the direction of the Issuer, be reinvested in Government Obligations maturing at times and in amounts, together with the other moneys and payments with respect to Government Obligations then held by the Trustee pursuant to the provisions of the Amended and Restated Trust Agreement described in this paragraph, sufficient to pay when due the principal of and redemption premiums, if any, and interest to become due on such Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall, upon receipt by the Trustee of a Written Order so directing, be paid over to the Issuer as received by the Trustee free and clear of any trust, lien or pledge.

Moneys Held for Particular Bonds. Except as otherwise provided in the Amended and Restated 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.

Bond Insurance

The Bonds are insured under the Bond Insurance Policy issued by the Bond Insurer insuring the payment of principal and interest on the Bonds. The conditions under which the Bonds are insured by the Bond Insurer, including the payment procedure pursuant to the Bond Insurance Policy, are provided in the Amended and Restated Trust Agreement.

The Bond Insurer shall be deemed to be the sole holder of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to the Amended and Restated Trust Agreement pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Amended and Restated Trust Agreement would adversely affect the security for the Bonds or the rights of the Owners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Bond Insurance Policy.

The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy.

Debt Service Reserve Insurance Policy

The Reserve Requirement is funded in part by the Reserve Policy issued by the Bond Insurer. As long as the Reserve Policy is in effect, the Issuer and the Trustee agree to comply with the terms and conditions set forth therein as provided in the Amended and Restated Trust Agreement.

Miscellaneous

Unclaimed Money. Anything contained in the Amended and Restated 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 Amended and Restated Trust Agreement.

APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR 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 Local Obligations and 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 borders the City of Antioch on the northwest. The City contains approximately 14.83 square miles in total area and has a population which has increased significantly in recent years to its present level of approximately 52,029 persons.

The City was first settled by farmers in 1878. Until the past decade, the City has retained its agricultural orientation. Over the past two decades, 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 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, the Livermore and Pleasanton corridor in Alameda County to the south 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 15 miles to the west, the Sierra Nevada Mountains 90 miles to the east and the Sacramento Delta waterway to the north. Interstate Highways 580 and 680 are within a half hour's drive from the City's downtown area. The City's main roads connect directly with California Highway 4 which provides convenient access to the City.

Municipal Government

The City was incorporated in 1948 as a general law city. The City government is made up of 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 four-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, solid waste disposal services, youth services, public improvements, parks and recreation services, community development and general administrative services. The City has approximately 269 employees.

Population

The City is located in the eastern portion of the County. The City's population as of January 1, 2011 was 52,029, as estimated by the State Department of Finance.

Set forth below is comparative historical and projected population data for the City and County, respectively.

HISTORICAL CITY, COUNTY AND STATE POPULATION DATA

Year	City of Brentwood	Percent Change	Contra Costa County	Percent Change	State of California	Percent Change
2000	22,230	--	948,816	--	33,873,086	--
2001	25,104	12.9	966,012	1.8	34,430,970	1.6
2002	29,608	17.9	981,536	1.6	35,063,959	1.8
2003	32,975	11.4	993,668	1.2	35,652,700	1.7
2004	37,246	13.0	1,005,590	1.2	36,199,342	1.5
2005	42,050	12.9	1,016,304	1.1	36,675,346	1.3
2006	45,974	9.3	1,026,234	1.0	37,114,598	1.2
2007	48,677	5.9	1,037,580	1.1	37,559,440	1.2
2008	50,584	3.9	1,051,674	1.4	38,049,462	1.3
2009	51,908	2.6	1,060,435	0.8	38,292,687	0.6
2010	51,481	-0.8	1,049,025	-1.1	37,253,956	-2.7
2011	52,029	1.1	1,056,064	0.7	37,510,766	0.7

Sources: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 & 2010 Census Count, Sacramento, California, August 2011 and E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2010 and 2011, Sacramento, California, May 2011.

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Prior to the 1970's, the City's growth lagged behind growth in the County as a whole because development was centered in the western portion of the County. As development activity moved eastward during the 1970's, population in the City began to grow sharply, outpacing growth in the County. The City experienced a population increase of approximately 132% from 2000 to 2010. Since that time, the City has seen very little residential development activity and property valuations have fallen substantially from their peak. In general, the recession has had far greater impacts in communities, such as Brentwood's, which experienced high growth rates and property appreciation during the previous decade. New single family residential building permits have fallen from an average of over 1,400 per year to approximately 100 per year. The financial challenges resulting from the decline in development activity have been exacerbated by a corresponding decline in property values. Property taxes, the General Fund's top revenue source, is expected to decline for a fifth consecutive year in FY 2012/13, with a total decline of 33% since FY 2007/08.

Employment

The following table lists some of the major employers in Contra Costa County in alphabetical order:

CONTRA COSTA COUNTY
Major Employers

Employer Name	Location	Industry
Bayer Health Care Phrmctcls	Richmond	Laboratories-Pharmaceutical
Bio-Rad Laboratories Inc.	Hercules	Biological Products (Mfrs)
C & H Sugar Co Inc	Crockett	Sugar Refiners (Mfrs)
California State Auto Assn	Walnut Creek	Automobile Clubs
Chevron Corp	San Ramon	Petroleum Products-Manufacturers
Chevron Global Downstream LLC	San Ramon	Marketing Programs & Services
Concord Naval Weapons Station	Concord	Federal Government-National Security
Contra-Costa Regional Med Ctr.	Martinez	Hospitals
Department Of Veterans Affairs	Martinez	Clinics
Doctor's Medical Ctr.	San Pablo	Hospitals
John Muir Health Physical Rhb	Concord	Physical Therapists
John Muir Medical Ctr.	Concord	Hospitals
Kaiser Permanente	Walnut Creek	Hospitals
Kaiser Permanente Martinez	Martinez	Clinics
Muirlab	Walnut Creek	Laboratories-Medical
Nordstrom	Walnut Creek	Department Stores
PMI Group Inc	Walnut Creek	Insurance-Bonds
Richmond City Offices	Richmond	Government Offices-City, Village & Twp
San Ramon Regional Medical Ctr	San Ramon	Hospitals
Shell Oil Prod	Martinez	Oil Refiners (Mfrs)
St. Mary's College Of Ca.	Moraga	Schools-Universities & Colleges Academic
Sutter Delta Medical Ctr.	Antioch	Hospitals
Tesoro Golden Eagle Refinery	Pacheco	Oil Refiners (Mfrs)
USS-Posco Industries	Pittsburg	Steel Mills (Mfrs)
Va Outpatient Clinic	Martinez	Surgical Centers

Source: California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2011 1st Edition.

Contra Costa County and Alameda County comprise the Oakland-Freemont-Hayward Metropolitan Statistical Area. The civilian labor force, employment and unemployment for the Oakland-Fremont-Hayward Metropolitan Statistical Area is outlined in the following table.

OAKLAND-FREMONT-HAYWARD METROPOLITAN STATISTICAL AREA
(Alameda and Contra Costa Counties)
Employment and Unemployment of
Industry Employment and Labor Force [1]

	2007	2008	2009	2010	2011
Civilian Labor Force	1,262,000	1,281,300	1,285,800	1,277,900	1,289,400
Employment	1,202,900	1,202,600	1,152,300	1,133,700	1,169,400
Unemployment	59,000	78,700	133,500	144,200	120,000
Civil Unemployment Rate:					
Oakland-Fremont-Hayward MSA	4.7%	6.1%	10.4%	11.3%	9.6%
State of California	5.4%	7.2%	11.3%	12.4%	11.4%

[1] Annual averages
Source: Employment Development Department, State of California Labor Market Information Division, March 2011 Benchmark.

The Oakland-Fremont-Hayward Metropolitan Statistical Area comprises the Contra Costa County and Alameda County. A breakdown of the labor force by industry in the Oakland Metropolitan Statistical Area is set forth in the following table.

OAKLAND-FREMONT-HAYWARD METROPOLITAN STATISTICAL AREA
Wage And Salary Workers By Industry
Annual Averages

	2007	2008	2009	2010	2011
Total Farm	1,500	1,400	1,400	1,500	1,400
Mining and Logging	1,200	1,200	1,200	1,200	1,200
Construction	71,700	64,900	53,500	47,600	47,400
Manufacturing	94,400	93,100	82,800	78,600	78,400
Wholesale Trade	48,700	47,600	43,700	42,100	41,800
Retail Trade	113,300	109,400	102,100	99,900	105,400
Transportation. Warehousing & Utilities	37,300	35,900	33,200	31,900	32,600
Information	29,000	27,800	25,300	23,900	22,800
Finance & Insurance	41,100	36,200	32,500	33,100	32,900
Real Estate & Rental & Leasing	17,000	16,500	15,500	15,300	14,600
Professional & Business Services	158,200	162,400	148,700	148,000	154,300
Education & Health Services	128,300	133,000	137,200	139,700	139,800
Leisure & Hospitality	88,000	89,100	85,100	85,600	86,400
Other Services	36,200	36,100	34,700	34,600	35,900
Government	183,900	177,200	172,500	167,100	162,900
Total All Industries*	1,049,700	1,031,800	969,400	949,800	957,800

* Total may not be precise due to independent rounding.
Source: Employment Development Department, State of California Labor Market Information Division, March 2011 Benchmark

Construction

Between 2007 and 2011, the City issued building permits valued at more than $200 million. Of this total, new residential construction accounted for approximately 77.4 percent, and new commercial/industrial projects represented approximately 22.6 percent.

During this five-year period, residential permits in the City included approximately 730 new dwelling units, all of which were single-family homes. Set forth below are building permit valuations for the City during the five-year period from 2007 through 2011.

CITY OF BRENTWOOD
Building Permit Valuation
2007 through 2011

	2007	2008	2009	2010	2011
Valuation:					
New Residential	$ 77,461,325	$ 7,512,358	$ 18,696,401	$29,770,987	$21,532,950
New Commercial/Industrial	26,986,303	10,373,374	3,771,607	441,427	3,611,822
Total Value	$104,447,628	$17,885,732	$ 22,468,008	$30,212,414	$25,144,772
Number of New Housing Units:					
Single	357	37	87	145	104
Multiple	0	0	0	0	0
Total Units	357	37	87	145	104

Source: Construction Industry Research Board.

The following table shows residential building permit data for the County for the last five years.

COUNTY OF CONTRA COSTA
New Residential Building Permits
2006 through 2010

Year	Single Family Units	Single Family Percent of Total	Multi-Family Units	Multi-Family Percent of Total
2006	3,310	74	1,178	26
2007	2,698	75	909	25
2008	985	52	909	48
2009	1038	86	163	14
2010	809	48	890	52

Source: Construction Industry Research Board.

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 Contra Costa County

Water 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 Districts which provide K-12 public education needs. There are four high schools, three middle schools, and seven elementary schools located in the City.

Near the City are four colleges, Los Medanos Community College in Pittsburg, Diablo Valley Community College in Concord, San Joaquin Delta Community College and University of the Pacific in Stockton. Los Medanos Community College also has an extension campus located in the City.

Transportation

The City, located near the Cities of Antioch and Stockton, is in close proximity to a highly developed transportation network. The City's main roads connect directly with State Highway 4 which intersects with 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	5 miles	15 minutes
Concord to Brentwood	26 miles	30 minutes
Livermore to Brentwood	24 miles	30 minutes
Oakland to Brentwood	46 miles	50 minutes
Stockton to Brentwood	37 miles	40 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 Concord BART station. Tri Delta Transit Express Route 300 provides limited-stop service between Brentwood and the Pittsburg BART station. BART serves cities in San Francisco and the East Bay, including service to and from the San Francisco International Airport. A shuttle bus also provides service between the Oakland Coliseum BART station and the Oakland International Airport.

APPENDIX C

FORM OF BOND COUNSEL OPINION

June 20, 2012

Brentwood Infrastructure Financing Authority
Brentwood, California

Brentwood Infrastructure Financing Authority
Infrastructure Revenue Refunding Bonds, Series 2012A
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Brentwood Infrastructure Financing Authority (the "Issuer") in connection with the issuance of $22,395,000 aggregate principal amount of Brentwood Infrastructure Financing Authority Infrastructure Revenue Refunding Bonds, Series 2012A (the "Bonds"), issued pursuant to the provisions of an amended and restated trust agreement, dated as of June 1, 2012 (the "Trust Agreement"), between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds are issued for the purpose of enabling the Issuer to refund the Issuer's outstanding 1996 Reassessment Revenue Bonds, Series A and Series B and the Issuer's outstanding Infrastructure Revenue Refunding Bonds, Series 2002A and Subordinated 2002B. 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 relating to the Bonds, dated the date hereof (the "Tax Certificate"); opinions of counsel to the Issuer, the Trustee and the City of Brentwood (the "City"); certificates of the Issuer, the Trustee, the City and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, 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 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. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we

disclaim any obligation to update this letter. 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 and their enforceability 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, arbitration, judicial reference, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Trust Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, date June 7, 2012, 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 the valid and binding limited obligations of the Issuer.

2. The Trust Agreement has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Trust Agreement creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Trust Estate, including the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Trust Agreement (except the Rebate Fund), subject to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Agreement.

3. 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 related 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 D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the CITY OF BRENTWOOD, California (the "City"), and U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee") and as dissemination agent (the "Dissemination Agent") in connection with the issuance by the Brentwood Infrastructure Financing Authority (the "Authority") of $22,395,000 aggregate principal amount of its Infrastructure Revenue Refunding Bonds, Series 2012A (the "Bonds"). The Bonds are being issued pursuant to an Amended and Restated Trust Agreement, dated as of June 1, 2012, between the Authority and the Trustee (the "Trust Agreement"). Pursuant to the Trust Agreement, the City has covenanted to comply with its obligations hereunder and to assume all obligations for Continuing Disclosure with respect to the Bonds. The City, the Trustee and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of this Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City, the Trustee and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, 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 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning the ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Disclosure Representative" shall mean the City Manager or such other officer or employee as the City shall designate in writing to the Trustee from time to time.

"Dissemination Agent" shall mean the Trustee, or any successor Dissemination Agent which may be designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access system.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Participating Underwriter" shall mean any of the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the City's Fiscal Year (presently June 30), commencing with the report for the 2011-12 Fiscal Year, provide to the MSRB through EMMA, in an electronic format and accompanied by such identifying information as is prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. 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.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent); provided, however, that the City may distribute the Annual Report itself after providing written notice to the Trustee and 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).

(c) If the Trustee is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Trustee shall file a notice with the MSRB through EMMA in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the applicable electronic format for filings through EMMA; and

(ii) to the extent the City has provided the Annual Report to the Dissemination Agent, file a report with the City 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.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the City for the prior Fiscal Year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements of the City for the prior Fiscal Year, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. In each Annual Report or other filing herein that contains the City's financial statements, the following statement shall be included in bold type: "**The following financial statements are 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.**"

(b) To the extent not presented in the audited financial statements:

(i) A statement of the amounts on deposit in each fund or account established under the Trust Agreement (except the Rebate Fund and the Expense Fund);

(ii) A statement of the number of homes within each of the City's Reassessment District No. 96-1, Assessment District No. 98-2 and Assessment District 99-1 (each an "Assessment District" and, collectively, the "Assessment Districts") for which a building permit has been issued by the City;

(iii) Information concerning any delinquencies in the payment of assessment installments securing any issue of the Local Obligations including (1) the total amount of delinquencies in the related Assessment District, both as a dollar amount and as a percentage of the total levy for the Fiscal Year and (2) with respect to any delinquency of an owner which holds land subject to more than 5% of the assessment liens securing any issue of 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, interest, administrative expenses of levy, penalties and interest on delinquency;
(d) Due date of first delinquent installment; and
(e) Status of foreclosure action, if any; and

(iv) A statement describing any changes in land use entitlements or zoning within any of the Assessment Districts (including information concerning any growth control or similar ordinances or enactments) since the later of (1) the date of the Official Statement or (2) the date of the immediately preceding Annual Report;

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public from the MSRB's internet website or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) business days after the occurrence of the event:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on any applicable debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancement reflecting financial difficulties;

(5) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events adversely affecting the tax status of the Bonds;

(6) modifications to rights of bondholders, if material;

(7) substitution of credit or liquidity providers, or their failure to perform;

(8) optional, contingent or unscheduled bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Authority or the City;

(13) the consummation of a merger, consolidation, or acquisition involving the Authority or the City or the sale of all or substantially all of the assets of the Authority or the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) appointment of a successor or additional Trustee or the change of name of the Trustee, if material.

For the purpose of the event identified in Section 5(a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority or the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority or the City, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority or the City.

(b) The Trustee shall, promptly upon obtaining actual knowledge at its office as specified in Section 12 hereof of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that the City promptly notify the Trustee in writing whether or not to report the event pursuant to subsection (f); provided that, failure by the Trustee to so notify the Disclosure Representative and make such request shall not relieve the City of its duty to report Listed Events as required by this Section 5.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Trustee pursuant to subsection (b) or otherwise, the City shall as soon as possible determine if such event is required to be reported pursuant to this Section 5.

(d) If the City has determined that knowledge of the occurrence of a Listed Event is required to be reported pursuant to this Section 5, the City shall promptly notify the Trustee in writing. Such notice shall instruct the Trustee 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 is not required to be reported pursuant to this Section 5, the City shall so notify the Trustee in writing and instruct the Trustee not to report the occurrence.

(f) If the Trustee has been instructed by the City to report the occurrence of a Listed Event, the Trustee shall file a notice of such occurrence with the MSRB through EMMA in an electronic format and accompanied by such identifying information as is prescribed by the MSRB.

(g) The Trustee may conclusively rely on an opinion of counsel that the City's instructions to the Trustee under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation. Each party's obligations under this Disclosure Agreement shall terminate (a) upon the legal defeasance, prior redemption or payment in full of all of the Bonds or (b) if, in the opinion of nationally recognized bond counsel, the City ceases to be an "obligated person" (within the meaning of the Rule) with respect to the Bonds or the Bonds otherwise cease to be subject to the requirements of the Rule. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5.

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. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with the schedule of fees agreed upon by the City, as amended from time to time, and all reasonable expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City, the Trustee and the Dissemination Agent may amend this Disclosure Agreement, (and the Trustee and the Dissemination Agent shall agree to any amendment so requested by the City provided such amendment does not impose any greater duties, nor risk of liability, on the Trustee or the Dissemination Agent, as the case may be), 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(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure 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, the Trustee or the Dissemination Agent to comply with any provision of this Disclosure Agreement, 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 City, the Trustee or the Dissemination Agent 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, the Trustee or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent and the Trustee shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City, to the extent permitted by law, agrees to indemnify and save the Dissemination Agent, the Trustee, and 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 defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's negligence or willful misconduct, respectively. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and the Trustee, respectively, and payment of the Bonds.

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 150 City Park Way Brentwood, CA 94513 Attention: City Manager Telephone: (925) 516-5440 Fax: (925) 516-5441
If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Corporate Trust Services Telephone: (415) 273-4540 Fax: (415) 273-4590
To the Dissemination Agent:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Corporate Trust Services Telephone: (415) 273-4540 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 City, 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.

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: June 20, 2012

CITY OF BRENTWOOD

By _____
Authorized Representative

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee and Dissemination Agent

By _____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person:	City of Brentwood
Name of Issue:	Brentwood Infrastructure Financing Authority Infrastructure Revenue Refunding Bonds, Series 2012A
Date of Issuance:	June 20, 2012

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 Section 7.06 of the Amended and Restated Trust Agreement, dated as of June 1, 2012, between the Brentwood Infrastructure Financing Authority and the City. [The City anticipates that the Annual Report will be filed by _____.]

Dated:_____

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____

Title _____

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APPENDIX E

THE BOOK-ENTRY SYSTEM

This Appendix describes how ownership of the Bonds is to be transferred and how the principle of, premium, if any, and interest on Bonds are to be paid to and accredited by DTC while the Bonds are registered in its nominee name. The information in this Appendix concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Issuer and the City believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The Issuer and the City cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. 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 certificate will be issued for each maturity of each Series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities 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 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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 a Standard & Poor's rating of AA+. 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity 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 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer, 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 Bonds 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, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of 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 Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

SPECIMEN

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

SPECIMEN

Form 500NY (5/90)

APPENDIX G

SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

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MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

ISSUER:

BONDS:

Policy No.:

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") as set forth in the documentation (the "Bond Document") providing for the issuance of and securing the Bonds, for the benefit of the Owners, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

AGM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of the Business Day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Issuer, as appropriate, who may submit an amended Notice of Nonpayment. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy. Upon such payment, AGM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the **[Bond Document or][Insurance Agreement].** Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond and all insurance policies in respect of the Bond, to the extent of any payment by AGM hereunder.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (exclusive of interest and expenses) to AGM by or on behalf of the Issuer. Within three Business Days of such reimbursement, AGM shall provide the Trustee, the Paying Agent and the Issuer with notice of the reimbursement and reinstatement.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the Termination Date of this Policy or (b) Bonds that are not outstanding under the Bond Document. If the amount payable under this Policy is also payable under another insurance policy or surety bond insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall AGM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other insurance policy or surety bond that AGM has issued.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York are, or the Insurer's Fiscal Agent is, authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together

with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. 'Insurance Agreement" means the Insurance Agreement dated as of the effective date hereof in respect of this Policy, as the same may be amended or supplemented from time to time. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer that has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from the Issuer, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment of principal or interest thereunder, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "Policy Limit" shall be the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the Bond Document from time to time (the "Debt Service Reserve Requirement"), but in no event shall the Policy Limit exceed $. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Debt Service Reserve Requirement, as provided in the Bond Document. “Termination Date“ means the earlier of and the date the Bonds are no longer outstanding under the Bond Document.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc. (212) 826-0100
31 West 52ND Street, New York, N.Y. 10019

SPECIMEN

FOR ADDITIONAL BOOKS: ELABRA.COM OR (888) 935-2272