

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, under existing law, the interest on the Bonds is exempt from personal income taxes of the State of California. No attempt has been made or will be made to comply with certain requirements relating to the exclusion from gross income for federal tax purposes of interest on the Bonds and interest on the Bonds will be subject to all applicable federal taxation. See "TAX MATTERS" herein.

\$27,020,000

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
2005 TAXABLE REVENUE BONDS, SERIES A
(CRA/ERAF LOAN PROGRAM)

Dated: Delivery Date

Due: August 1, as shown on inside cover

The California Statewide Communities Development Authority 2005 Taxable Revenue Bonds, Series A (CRA/ERAF Loan Program) (the “Bonds”) are being issued pursuant to the Joint Exercise of Powers Act contained in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and an Indenture of Trust, dated as of April 1, 2005 (the “Indenture”), by and between the California Statewide Communities Development Authority (the “Authority”) and Wells Fargo Bank, National Association, as trustee (the “Trustee”). Eight redevelopment agencies within the State of California (each a “Participant Agency”), each of which is obligated under Section 33681.12 of the California Health and Safety Code to make a payment in Fiscal Year 2004-05 to the county auditor (each a “County Auditor”) of the county in which such Participant Agency is located (each a “County”) for deposit into the Educational Revenue Augmentation Fund of such County (each an “ERAF Payment”), will enter into a Loan Agreement, dated as of April 1, 2005 (each a “Loan Agreement”), by and between the Authority and such Participant Agency. Pursuant to each Loan Agreement the Authority will loan the applicable Participant Agency a portion of the proceeds of the Bonds sufficient to make the ERAF Payment of such Participant Agency. The proceeds of the Bonds will be used by the Authority to (i) make the ERAF Payments on behalf of the Participant Agencies, (ii) purchase a surety bond to fund the Reserve Requirement and (iii) pay costs of issuance of the Bonds, all as described herein. See “ERAF LOAN PROGRAM” and “SOURCES AND USES OF FUNDS” herein.

Interest on the Bonds will be payable on February 1 and August 1, of each year (each an “Interest Payment Date”), commencing February 1, 2006. The Bonds will be issued in fully registered form without coupons in the principal amount of \$5,000 or integral multiples thereof for each maturity. When issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. Individual purchases may be made in book-entry form only. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to the beneficial owners of the Bonds as described herein. See APPENDIX F —“BOOK ENTRY ONLY SYSTEM” attached hereto.

The Bonds are limited obligations of the Authority payable from and secured solely by Revenues payable under the Indenture. Revenues pledged under the Indenture consist primarily of amounts payable by or on behalf of the Participant Agencies under the Loan Agreements. The Loan Agreements are unsecured, subordinate obligations of the Participant Agencies. Pursuant to Section 33681.15 of the California Health and Safety Code, in the event that any Participant Agency fails to make timely payment under a Loan Agreement, the Trustee shall notify the county auditor of the related County of the amount of the payment that is past due, and the County Auditor shall reallocate such amount from property taxes allocated to the legislative body of the sponsoring community of such Participant Agency (each a “Sponsoring Community”). The County Auditor shall pay to the Trustee, on behalf of the Participant Agency, such amount from the first available proceeds of the property tax allocation that would otherwise be transferred to such Sponsoring Community. See “SECURITY FOR THE BONDS” herein.

The Bonds are not subject to redemption prior to maturity.

THE BONDS ARE PAYABLE EXCLUSIVELY FROM THE REVENUES AND OTHER FUNDS AS PROVIDED IN THE INDENTURE. THE GENERAL FUND OF THE AUTHORITY IS NOT LIABLE, AND THE CREDIT OF THE AUTHORITY IS NOT PLEDGED, FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO COMPEL THE FORFEITURE OF ANY PROPERTY OF THE AUTHORITY. THE PRINCIPAL OF AND INTEREST ON THE BONDS SHALL NOT BE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE AUTHORITY OR UPON ANY OF ITS INCOME, RECEIPTS OR REVENUES EXCEPT THE REVENUES AND OTHER FUNDS PLEDGED TO THE PAYMENT THEREOF AS PROVIDED IN THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by FINANCIAL SECURITY ASSURANCE INC. See “BOND INSURANCE” and APPENDIX D – “MUNICIPAL BOND INSURANCE POLICY” herein.



THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

MATURITY SCHEDULE*See inside cover*

The Bonds are offered, when, as and if issued, subject to the approval as to their legality by Jones Hall, a Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the Authority by its disclosure counsel, Orrick, Herrington & Sutcliffe LLP. It is anticipated that the Bonds in book-entry form will be available for delivery in New York, New York on or about April 27, 2005.

Stone & Youngberg LLC

E. J. DE LA ROSA & CO., INC.

RBC Dain Rauscher

\$27,020,000
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
2005 TAXABLE REVENUE BONDS, SERIES A
(CRA/ERAF LOAN PROGRAM)

Base CUSIP⁽¹⁾: 130911

Maturity Date (August 1)	Amount	Interest Rate	Price	CUSIP ⁽¹⁾
2006	\$1,930,000	3.87%	100%	E4 8
2007	2,320,000	4.12	100	E5 5
2008	2,420,000	4.34	100	E6 3
2009	2,520,000	4.46	100	E7 1
2010	2,640,000	4.59	100	E8 9
2011	2,765,000	4.69	100	E9 7
2012	2,880,000	4.77	100	F2 1
2013	3,035,000	4.89	100	F3 9
2014	3,175,000	4.96	100	F4 7
2015	3,335,000	5.01	100	F5 4

⁽¹⁾ Copyright 2005, American Bankers Association. CUSIP data provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
2005 TAXABLE REVENUE BONDS, SERIES A
(CRA/ERAF LOAN PROGRAM)**

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMISSION**

Chris McKenzie, Chairman
James Keene, Vice Chairman
Daniel Harrison, Secretary
Norma Lammers, Member
Steve Keil, Member
Paul Hahn, Member
Ken Nishimoto, Member

SPECIAL SERVICES

California Redevelopment Association
Sponsor

Jones Hall, a Professional Law Corporation
Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Disclosure Counsel

Wells Fargo Bank, National Association
Trustee

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 any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. The information set forth herein has been provided by the Authority, the Participant Agencies and the Sponsoring Communities and other sources that are believed by the Authority, the Participant Agencies and the Sponsoring Communities to be reliable.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Insurer has provided the following statement for inclusion in this Official Statement. Other than with respect to information concerning Financial Security Assurance Inc. ("Financial Security") contained under the caption "BOND INSURANCE" and APPENDIX D: "MUNICIPAL BOND INSURANCE POLICY" herein, none of the information in this Official Statement has been supplied or verified by Financial Security and Financial Security makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Bonds; or (iii) the tax exempt status of the interest on the Bonds.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Authority, the Participant Agencies and the Sponsoring Communities, the Bond Insurer or the Underwriters.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, projections, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 in reliance upon the exemption provided thereunder by Section 3(a)2 for the issuance and sale of municipal securities.

In connection with the offering of the Bonds, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain dealers, institutional investors and others at prices lower than the public offering prices stated on the cover page hereof and such public offering prices may be changed from time to time by the Underwriters.

Cautionary Statements Regarding Forward Looking Statements in this Official Statement

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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OFFICIAL STATEMENT

\$27,020,000

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY 2005 TAXABLE REVENUE BONDS, SERIES A (CRA/ERAF LOAN PROGRAM)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, Table of Contents and Appendices (the “Official Statement”), is to provide information about the \$27,020,000 California Statewide Communities Development Authority 2005 Taxable Revenue Bonds, Series A (CRA/ERAF Loan Program) (the “Bonds”), to be issued by the California Statewide Communities Development Authority (the “Authority”). This introduction is not a summary of the Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information and document summaries contained in the entire Official Statement. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The Authority is a joint exercise of powers authority organized pursuant to that certain “Amended and Restated Joint Exercise of Powers Agreement Relating to the California Statewide Communities Development Authority”, dated as of June 1, 1988, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”). The Authority is authorized pursuant to Article 4 of the Act, together with AB 2115, Chapter 610, Statutes of 2004, effective September 20, 2004 (“AB 2115”), to issue bonds, notes and other obligations to provide funds to make loans to redevelopment agencies to make the payments required to be made by such redevelopment agencies pursuant to Section 33681.12 of the California Health and Safety Code.

The Authority is issuing the Bonds pursuant to the Act, AB 2115 and an Indenture of Trust, dated as of April 1, 2005 (the “Indenture”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”). The proceeds of the Bonds will be used by the Authority to (i) make the ERAF Payments (as defined below) on behalf of the Participant Agencies (as defined below), (ii) purchase a surety bond to fund the Reserve Requirement and (iii) pay costs of issuance of the Bonds. See “PLAN OF FINANCING” and “SOURCES AND USES OF FUNDS” herein.

The Bonds are secured by a first lien on and pledge of all of the Revenues and a pledge of all of the moneys in the Interest Account, the Principal Account and the Reserve Account, including all amounts derived from the investment of such moneys. The Revenues that secure the Bonds consist primarily of amounts received by the Authority or the Trustee under the Loans (as defined below). See “SECURITY FOR THE BONDS” herein.

THE BONDS ARE PAYABLE EXCLUSIVELY FROM THE REVENUES AND OTHER FUNDS AS PROVIDED IN THE INDENTURE. THE GENERAL FUND OF THE AUTHORITY IS NOT LIABLE, AND THE CREDIT OF THE AUTHORITY IS NOT PLEDGED, FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO COMPEL THE FORFEITURE OF ANY PROPERTY OF THE AUTHORITY. THE PRINCIPAL OF AND INTEREST ON THE BONDS SHALL NOT BE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE AUTHORITY OR UPON ANY OF ITS INCOME, RECEIPTS OR REVENUES EXCEPT THE REVENUES AND OTHER FUNDS PLEDGED TO THE PAYMENT THEREOF AS PROVIDED IN THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER.

The ERAF Loan Program

Pursuant to Section 33681.12 of the California Health and Safety Code, each redevelopment agency in the State of California (the "State") must prior to May 10, 2005 make a payment to the county auditor of the county in which such redevelopment agency is located for deposit into the Educational Revenue Augmentation Fund ("ERAF") of such county (each an "ERAF Payment"). Eight redevelopment agencies (the "Participant Agencies") have determined to finance these payments by participating in the Authority's ERAF loan program (the "ERAF Loan Program"). Under the ERAF Loan Program, each Participant Agency will finance its ERAF Payment by entering into a Loan Agreement, dated as of April 1, 2005 (each a "Loan Agreement"), by and between the Authority and the Participant Agency, pursuant to which the Authority will loan the Participant Agency a portion of the proceeds of the Bonds sufficient to make the ERAF Payment of such Participant Agency. Upon receipt of the proceeds of the Bonds, the Trustee will make payment of the net proceeds of the each such loan (each a "Loan") directly to the county auditor (each a "County Auditor") of the applicable county (each a "County"), thereby satisfying the ERAF Payment obligation of the applicable Participant Agency. See "PLAN OF FINANCING" herein.

Loan Repayment

Pursuant to AB 2115, in the event that any Participant Agency fails to make timely repayment of any Loan, the Trustee will notify the County Auditor of the related County of the amount of the payment that is past due, and the County Auditor will reallocate such amount from property taxes allocated to the legislative body of the sponsoring community of such Participant Agency (as more fully described in Appendix A, each a "Sponsoring Community"). The County Auditor will pay to the Trustee, on behalf of the Participant Agency, such amount from the first available proceeds of the property tax allocation that would otherwise be transferred to such Sponsoring Community. See "PLAN OF FINANCING" and "SECURITY FOR THE BONDS" herein.

Capitalized terms used herein which are not otherwise defined have the meanings set forth under the heading APPENDIX B —"SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS."

PLAN OF FINANCING

The Bonds are being issued by the Authority to (i) make the ERAF Payments on behalf of the Participant Agencies, (ii) purchase a surety bond to fund the Reserve Requirement and (iii) pay costs of issuance of the Bonds, all as described herein.

ERAF Loan Program

Pursuant to Section 33681.12 of the California Health and Safety Code, each redevelopment agency in the State must prior to May 10, 2005 make a payment to the county auditor of the county in which such redevelopment agency is located for deposit into the Educational Revenue Augmentation Fund of such county. The eight Participant Agencies have determined to finance these payments by participating in the Authority's ERAF Loan Program. Under the ERAF Loan Program, each Participant Agency will finance its ERAF Payment by entering into a Loan Agreement between the Authority and the Participant Agency, pursuant to which the Authority will loan the Participant Agency a portion of the proceeds of the Bonds sufficient to make the ERAF Payment of such Participant Agency. Upon receipt of the proceeds of the Bonds, the Trustee will make payment of the net proceeds of each Loan directly to the County Auditor of the applicable County, thereby satisfying the ERAF Payment obligation of the applicable Participant Agency.

On the date of issuance of the Bonds (the "Closing Date"), the Authority will provide the Trustee with the amount of the ERAF Payment for each Agency and the schedule of the Loan Payments to be made by each Participant Agency under the applicable Loan Agreement, together with the name and address of each County Auditor of the County in which such Participant Agency is located. Promptly following the Closing Date, the Trustee will provide each schedule to the applicable County Auditor, together with the name and address of the Trustee.

ERAF Payment Amounts

The following table shows the ERAF Payments due from each Participant Agency:

<u>Participant Agency</u>	<u>Payment Amount</u>
City of Chula Vista Redevelopment Agency	\$ 743,358
Fullerton Redevelopment Agency	1,105,458
Paramount Redevelopment Agency	695,520
City of Pomona Redevelopment Agency	1,419,133
Redevelopment Agency of the City of Riverside	1,425,276
Redevelopment Agency of the City of San Jose	18,626,954
San Ramon Redevelopment Agency	510,347
Community Development Commission of the City of Santa Fe Springs	1,828,108

Estimated Sources and Uses of Funds

Sources of Funds	
Principal Amount of the Bonds	\$27,020,000.00
Less Underwriters' Discount	<u>(184,305.00)</u>
Total Sources of Funds	\$26,835,695.00
Uses of Funds	
Deposit into Loan Fund	\$26,354,154.98
Costs of Issuance ⁽¹⁾	<u>481,540.02</u>
Total Uses of Funds	\$26,835,695.00

⁽¹⁾ Includes Authority administrative costs, legal fees, initial trustee fees, printing costs, bond insurance premium, surety bond premium, cost of issuance contingency amount and other expenses.

THE BONDS

Authority for Issuance

The Bonds have been authorized by, and are being issued pursuant to, the Indenture and in accordance with the Act, AB 2115 and other applicable laws and the Constitution of the State of California.

Description of the Bonds

The Bonds will be issued in the aggregate principal amount of \$27,020,000, will be dated their date of delivery, will bear interest at the rates per annum and will mature on the dates and in the amounts, all as set forth on the inside cover page. The Bonds will be issued in fully registered form without coupons, in the principal amount of \$5,000 and integral multiples thereof for each maturity. The Bonds will bear interest at the rates per annum (calculated on the basis of a 360-day year of twelve 30-day months) set forth on the inside cover page.

Interest on the Bonds will be paid semiannually on February 1 and August 1 of each year, commencing February 1, 2006. The Bonds will be issued as one fully registered Bond for each maturity without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interests in the Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to the beneficial owners of the Bonds as described herein. See APPENDIX F – "BOOK-ENTRY SYSTEM".

No Redemption Prior to Maturity

The Bonds are not subject to redemption prior to maturity.

Debt Service on the Bonds

The following table shows expected debt service payments on the Bonds.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
2005 Taxable Revenue Bonds, Series A
(CRA/ERAF LOAN PROGRAM)
Debt Service Schedule

<u>Period Ending</u> <u>(August 1)</u>	<u>Principal</u> <u>of the Bonds</u>	<u>Interest on the Bonds</u>	<u>Total Debt Service</u>
2006	\$1,930,000	\$1,575,013.46	\$3,505,013.46
2007	2,320,000	1,174,209.50	3,494,209.50
2008	2,420,000	1,078,625.50	3,498,625.50
2009	2,520,000	973,597.50	3,493,597.50
2010	2,640,000	861,205.50	3,501,205.50
2011	2,765,000	740,029.50	3,505,029.50
2012	2,880,000	610,351.00	3,490,351.00
2013	3,035,000	472,975.00	3,507,975.00
2014	3,175,000	324,563.50	3,499,563.50
2015	<u>3,335,000</u>	<u>167,083.50</u>	<u>3,502,083.50</u>
Total	\$27,020,000	\$7,977,653.96	\$34,997,653.96

SECURITY FOR THE BONDS

Limited Obligation

The Bonds are secured by a first lien on and pledge of all of the Revenues and a pledge of all of the moneys in the Interest Account, the Principal Account and the Reserve Account, including all amounts derived from the investment of such moneys. Under the Indenture, the Authority will transfer in trust and assign to the Trustee, for the benefit of the Owners of the Bonds, all of the Revenues and all of the Authority's right, title and interest in the Loan Agreements, except for certain reserved rights of the Authority relating to payment of fees and indemnity. The Trustee is entitled to and will receive all of the Revenues. The Revenues that secure the Bonds consist primarily of amounts received by the Authority or the Trustee from the Participant Agencies, or from the County Auditors on behalf of the Participant Agencies, as repayment of the Loans.

The Authority has covenanted in the Indenture that it will not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under the Indenture while any of the Bonds are outstanding, except as permitted by the Indenture. See APPENDIX B – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – SUMMARY OF THE INDENTURE – Selected Covenants”.

THE BONDS ARE PAYABLE EXCLUSIVELY FROM THE REVENUES AND OTHER FUNDS AS PROVIDED IN THE INDENTURE. THE GENERAL FUND OF THE AUTHORITY IS NOT LIABLE, AND THE CREDIT OF THE AUTHORITY IS NOT PLEDGED, FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO COMPEL THE FORFEITURE OF ANY PROPERTY OF THE AUTHORITY. THE PRINCIPAL OF AND INTEREST ON THE BONDS SHALL NOT BE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE AUTHORITY OR UPON ANY OF ITS INCOME, RECEIPTS OR REVENUES EXCEPT THE REVENUES AND OTHER FUNDS PLEDGED TO THE PAYMENT THEREOF AS PROVIDED IN THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER.

The scheduled payment of principal and interest on the Bonds when due and payable will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Financial Security Assurance Inc. See “BOND INSURANCE”.

Subordinate Obligation of Participant Agencies to Make Loan Payments

Under provisions of AB 2115, the obligation of each Participant Agency to make an ERAF Payment is subordinate to the lien of any pledge of collateral securing, directly or indirectly, the payment of the principal or interest on any bonds of the Participant Agency including, without limitation, bonds secured by a pledge of taxes allocated to the Participant Agency pursuant to the California Community Redevelopment Law, Section 33000 et seq. of the California Health and Safety Code (the “Redevelopment Law”). Each Loan is repayable by the applicable Participant Agency from any available funds of the Participant Agency not otherwise obligated for other uses and is repayable by the Participant Agency on a basis subordinate to all existing and future obligations of the Participant Agency.

Reallocation of Property Tax Revenues

Under provisions of AB 2115, each County Auditor is required to reallocate, from time to time as needed, to the Trustee from certain property tax revenues of the applicable Sponsoring Community, an amount equal to any deficiency or delinquency in payment by the applicable Participant Agency under the applicable Loan. AB 2115 provides that, by operation of law, the Trustee shall have a lien on the

property tax revenues allocated to the applicable Sponsoring Community pursuant to Chapter 6 of Part 6.5 of Division 1 of the Revenue and Taxation Code. Such lien does not, however, apply to the property taxes allocated to each Participant Agency pursuant to Section 33670 of the Redevelopment Law. See “INVESTOR CONSIDERATIONS – Loans Are Subordinate Obligations of Participant Agencies.”

Available Tax Revenues. Under the Revenue and Taxation Code of the State, each Sponsoring Community is entitled to receive in each fiscal year a portion of the taxes levied upon all property subject to taxation within the jurisdiction of the Sponsoring Community. The annual property tax rate within each Sponsoring Community is limited to one percent of the full cash value of all such property subject to taxation, plus the amount necessary to pay all obligations legally payable from *ad valorem* taxes within the Sponsoring Community in the current year, such as voter-approved bonds of the Sponsoring Community or local school districts (“Voter-Approved Obligations”). The portion of the one percent tax available to each Sponsoring Community (the “Available Tax Revenues”) differs for each Sponsoring Community and varies from year to year. Available Tax Revenues do not include any portion of taxes levied within the Sponsoring Community to pay Voter-Approved Obligations.

Collection of Property Taxes. Property taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1. Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year.

Property taxes on the secured roll are due in two equal installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of ten percent attaches immediately to all delinquent payments. If the taxes have not been paid by June 30, the tax is deemed to be in default. Secured roll property may thereafter be redeemed by payment of a penalty of 1½% per month to the time of redemption, plus costs and a redemption fee. If the taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale at a public auction by the County Treasurer.

Timing of Loan Payments and Property Tax Collections. Payments on the Loans are due from the Participant Agencies each March 1 and November 1 in an amount sufficient to pay debt service on the Bonds due the next succeeding August 1 and February 1, respectively. Each loan payment is due approximately 40 days before the delinquency date for installment payments of property taxes on the secured roll.

The Indenture requires that ten Business Days after the date upon which any Participant Agency is delinquent in the timely payment of a Loan Payment (and if such Loan Payment has not been received by the Trustee by the end of such ten Business Day period), the Trustee will promptly notify the applicable County Auditor, by certified mail, of the fact and amount of such Loan Payment that is past due and will direct such County Auditor to pay such amount to the Trustee from the first Available Tax Revenues received by the County Auditor, all as provided in AB 2115.

Secured Assessed Valuation, Collections and Delinquencies of the Sponsoring Communities. The net secured assessed valuation of property in each of the Sponsoring Communities over the past five years, together with information on collections and delinquencies in payment of property taxes during the same period, where applicable, is provided in APPENDIX A – “THE SPONSORING COMMUNITIES.”

Teeter Plan. Certain of the Counties in which the Sponsoring Communities are located have adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 and following of the California Revenue and Taxation Code. Under the Teeter Plan, each County distributes to each participating local tax-levying

agency, including the applicable Participant Agencies, the amount levied on the secured and supplemental tax rolls, instead of the amount actually collected. In return, each County receives and retains delinquent payments, penalties and interest as collected, that would have been due the local agency in the absence of the Teeter Plan. The Teeter Plan may be terminated by any County at any time; causes and procedures for terminating the Teeter Plan vary from County to County. No assurances can be given as to the continued application of the Teeter Plan in any County at any time. See APPENDIX A – “THE SPONSORING COMMUNITIES” to determine which Counties currently apply the Teeter Plan.

Reserve Account

The Indenture establishes a Reserve Account held by the Trustee. The Reserve Account is held in trust for the benefit of the Authority and the Owners of the Bonds. The amount on deposit in the Reserve Account shall be maintained at an amount equal to 50% of the maximum annual debt service on the Bonds, or approximately \$1,753,987.50 (the “Reserve Requirement”).

On each Interest Payment Date, the Trustee shall withdraw from the Revenue Fund and deposit in the Reserve Account an amount of money required to maintain in the Reserve Account an amount equal to the Reserve Requirement. No such deposit need be made to the Reserve Account so long as there is on deposit an amount at least equal to the Reserve Requirement. All money in the Reserve Account will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account, in such order, in the event of any deficiency at any time in any of such accounts with respect to amounts due on the Bonds or for the retirement of all of the Bonds, except that so long as the Authority is not in default under the Indenture, any amount in the Reserve Account in excess of an amount equal to the Reserve Requirement will be withdrawn from the Reserve Account by the Trustee on or before the seventh Business Day preceding each Interest Payment Date and deposited in the Revenue Fund to be used to make payment on the Bonds. All amounts in the Reserve Account on the seventh day preceding the final Principal Payment Date will be withdrawn from the Reserve Account and transferred either (i) to the Interest Account, the Principal Account and the Sinking Account, in such order, to the extent required to make the deposits then required to be made with respect to amounts then due on the Bonds pursuant to the Indenture or, (ii) if the Authority has caused to be deposited in the Revenue Fund an amount sufficient to make the deposits required by the Indenture, then at the Written Request of the Authority to the Trustee for transfer to the respective Participant Agencies pro rata based on the ERAF Payments of the respective Agencies.

The Indenture permits the Authority to substitute at any time in lieu of all or any portion of the Reserve Requirement a surety bond or other form of credit enhancement. In satisfaction of the Reserve Requirement, the Authority will tender to the Trustee on the Closing Date a Municipal Bond Debt Service Reserve Insurance Policy to be issued by Financial Security Assurance Inc. In the event the Authority must make a draw under the Municipal Bond Debt Service Reserve Insurance Policy, payments on the Loan will include additional amounts payable under such policy, which will be invoiced to the Trustee. See APPENDIX B – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – SUMMARY OF THE INDENTURE”.

BOND INSURANCE

The information in the following section is provided by Financial Security Assurance Inc. for use in securities disclosure documents. The Authority makes no representation regarding the accuracy or completeness thereof, or of any information in the documents incorporated by reference in the following section.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Financial Security Assurance Inc. ("Financial Security") will issue its Municipal Bond Insurance Policy for the Bonds (the "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 an exhibit 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.

Financial Security Assurance Inc.

Financial Security is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. ("Holdings"). Holdings is an indirect subsidiary of Dexia, S.A., a publicly held Belgian corporation, and of Dexia Credit Local, a direct wholly-owned subsidiary of Dexia, S.A. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance, banking and asset management in France, Belgium and other European countries. No shareholder of Holdings or Financial Security is liable for the obligations of Financial Security.

At December 31, 2004, Financial Security's total policyholders' surplus and contingency reserves were approximately \$2,280,883,000 and its total unearned premium reserve was approximately \$1,649,230,000 in accordance with statutory accounting principles. At December 31, 2004, Financial Security's total shareholder's equity was approximately \$2,699,786,000 and its total net unearned premium reserve was approximately \$1,342,057,000 in accordance with generally accepted accounting principles.

The financial statements included as exhibits to the annual and quarterly reports filed by Holdings with the Securities and Exchange Commission are hereby incorporated herein by reference. Also incorporated herein by reference are any such financial statements so filed from the date of this Official Statement until the termination of the offering of the Bonds. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 350 Park Avenue, New York, New York 10022, Attention: Communications Department (telephone (212) 826-0100).

The Policy does not protect investors against changes in market value of the Bonds, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. Financial Security makes no representation regarding the Bonds or the advisability of investing in the Bonds. Financial Security makes no representation regarding the Official Statement, nor has it participated in the preparation thereof, except that Financial Security has provided to the Authority the information presented under this caption for inclusion in the Official Statement.

INVESTOR CONSIDERATIONS

Loans Are Subordinate Obligations of Participant Agencies

The Bonds are secured by Revenues, which consist primarily of amounts payable by or on behalf of the Participant Agencies under the Loan Agreements. The obligation of each Participant Agency to make an ERAF Payment, and the corresponding obligation of each Participant Agency to repay the applicable Loan, is subordinate to the lien of any pledge of collateral securing, directly or indirectly, the payment of the principal or interest on any bonds of the Participant Agency including, without limitation, bonds secured by a pledge of taxes allocated to the Participant Agency pursuant to the Redevelopment Law. Each Loan is repayable by the applicable Participant Agency from any available funds of the Participant Agency not otherwise obligated for other uses and is repayable by the Participant Agency on a basis subordinate to all existing and future obligations of the Participant Agency.

Levy and Collections

Neither the Authority nor any Participant Agency has any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease within a Sponsoring Community could reduce the Available Tax Revenues for such Sponsoring Community and, accordingly, could have an adverse impact on the ability of the applicable County Auditor to reallocate Available Tax Revenues to pay delinquent payments on the applicable Loan. Similarly, substantial delinquencies in the payment of property taxes by the owners of taxable property within a Sponsoring Community could also have an adverse effect on the ability of the applicable County Auditor to reallocate Available Tax Revenues to pay delinquent payments on the applicable Loan. The Sponsoring Communities do not have any obligation, nor do they have the authority under current law, to levy any additional ad valorem property tax to make up for any Available Tax Revenues reallocated pursuant to AB 2115 to pay delinquent payments on the Loans.

Other Amounts Payable from Reallocation of Property Tax Revenues

Under AB 2115, each of the Participant Agencies will be required to make a payment into the Educational Revenue Augmentation Fund of the applicable County in Fiscal Year 2005-06 (each a “2005-06 ERAF Obligation”). AB 2115 provides that, in the event of any delinquency or deficiency in payment of a 2005-06 ERAF Obligation by a Participant Agency, the applicable County Auditor is required to reallocate such amount from property taxes allocated to the applicable Sponsoring Community in the same manner in which County Auditors are required to reallocate property tax revenues in the event of a delinquency or deficiency of a Loan Payment. AB 2115 provides that the Participant Agencies may finance their 2005-06 ERAF Obligations in a manner similar to the financing of the ERAF Payments by issuance of the Bonds and funding of the Loans.

The reallocation of property tax revenues to make payment of the 2005-06 ERAF Obligations of the Participant Agencies, or to make loan payments on a periodic basis pursuant to a financing of any such 2005-06 ERAF Obligations, could reduce the amount of property tax revenues available to be reallocated from the Sponsoring Communities to make Loan Payments on behalf of the Participant Agencies.

Delay in Reallocation of Property Tax Revenues

As described in “SECURITY FOR THE BONDS – Reallocation of Property Tax Revenues”, AB 2115 requires each County Auditor to reallocate property tax revenues from the applicable Sponsoring Community in an amount equal to any deficiency or delinquency of a Loan Payment by the applicable Participant Agency. If a County Auditor fails to reallocate such property tax revenues in a

timely fashion following a delinquency or deficiency of a Loan Payment, payments on the Bonds could be adversely affected.

Reduction in Taxable Value

Economic and other factors beyond the control of the Authority, any Participant Agency or any Sponsoring Community, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or man-made disaster, such as earthquake, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within a Sponsoring Community. Any such reduction in assessed value could reduce Available Tax Revenues in the Sponsoring Community and accordingly, could have an adverse impact on the ability of the applicable County Auditor to reallocate Available Tax Revenues to pay delinquent payments on the applicable Loan.

Effect of Assessment Appeals

California law permits property owners to apply for a reduction of their property tax assessment. No assurance can be given that appeals will not be granted in the future which alone, or in the aggregate, could adversely affect Available Tax Revenues in a Sponsoring Community and, thus, the ability of the applicable County Auditor to reallocate Available Tax Revenues to pay delinquent payments on the applicable Loan.

Reduction in Inflationary Rate

As described in greater detail below in Appendix A, Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Such a reduction could lower the Available Tax Revenues from which the County Auditors are directed to pay delinquent payments on the Loans.

ADDITIONAL INFORMATION

The Authority

The California Statewide Communities Development Authority is a joint exercise of powers authority organized pursuant to that certain “Amended and Restated Joint Exercise of Powers Agreement Relating to the California Statewide Communities Development Authority”, dated as of June 1, 1988, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”).

The Authority is authorized pursuant to the Act and AB 2115, to issue bonds, notes and other obligations to provide funds to make loans to redevelopment agencies to make the payments required to be made by such redevelopment agencies pursuant to Section 33681.12 of the California Health and Safety Code.

Approval of Legal Proceedings

The validity of the Bonds and certain other legal matters are subject to the approval of Jones Hall, a Professional Law Corporation, San Francisco, California, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX C hereto. Certain legal matters will be passed upon for the Authority by its disclosure counsel, Orrick, Herrington & Sutcliffe LLP.

Tax Matters

In the opinion of Jones Hall, a Professional Law Corporation, Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion as to the exclusion from gross income for federal income taxes purposes of interest on the Bonds or regarding any other federal or State tax consequences relating to the accrual or receipt of interest on the Bonds. **NO ATTEMPT HAS BEEN OR WILL BE MADE TO COMPLY WITH CERTAIN REQUIREMENTS RELATING TO THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON THE BONDS.** A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX C hereto.

Although Bond Counsel has rendered an opinion that interest on the Bonds is exempt from California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Litigation

To the best knowledge of the Authority, there is no litigation pending or threatened concerning the validity of the Bonds or challenging any action taken by the Authority in connection with the authorization of any document relating to the Bonds to which the Authority is or is to become a party or the performance by the Authority of any of its obligations under any of the foregoing.

Ratings

Standard & Poor's Rating Services (“S&P”) will assign the Bonds the rating of “AAA” based on the issuance by the Bond Insurer of its Policy. In addition, S&P has assigned an underlying rating of “A-” to the Bonds. Such ratings reflect only the view of S&P. An explanation of the significance of such

ratings may be obtained from S&P. There is no assurance that such ratings will continue for any given period of time or that it will not be revised or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. The Underwriters undertake no responsibility to bring to the attention of the Owners of the Bonds any downward revision or withdrawal of these ratings and any such downward revision or withdrawal would likely have an adverse effect on the market price of the Bonds.

Underwriting

The Bonds are being purchased by Stone & Youngberg LLC, E. J. De La Rosa & Co., Inc. and RBC Dain Rauscher as co-managers (the "Underwriters"). The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the Authority pursuant to a bond purchase agreement (the "Bond Purchase Agreement") at an aggregate price of \$26,835,695.00 (which represents the aggregate principal amount of the Bonds of \$27,020,000 less an underwriters' discount of \$184,305.00). The Bond Purchase Agreement provides that the Underwriters will purchase all of the Bonds if any are purchased, the obligation to make such a purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the offering price. The offering prices may be changed from time to time by the Underwriters.

Continuing Disclosure

Pursuant to the Continuing Disclosure Agreement, the Authority has covenanted to provide, or cause to be provided, not later December 31 for the twelve-month period ending the prior June 30, commencing with the Annual Report for the twelve month period ending June 30, 2005, to each Repository an annual report (an "Annual Report") in substantially the form contained in the Continuing Disclosure Agreement. The Authority has further covenanted to provide, or cause to be provided, to each Repository in a timely manner notice of certain material events, as more fully enumerated in the Continuing Disclosure Agreement. These covenants have been made in order to assist the Underwriters in complying with the Rule. The Authority has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

The Authority has determined that no financial or operating data concerning the Authority or the Participant Agencies is material to any decision to purchase, hold or sell the Bonds and neither the Authority nor any of the Participant Agencies will provide any such information. Pursuant to the Loan Agreements, however, the Participant Agencies have covenanted to notify the Authority should it have knowledge of any "material event" within the meaning of such term in Rule 15c2-12 of the Securities and Exchange Commission, and the Authority has agreed to file notice of such event as more fully enumerated in the Continuing Disclosure Agreement.

See APPENDIX E – "FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto.

Miscellaneous

All of the summaries of the Bonds, the Indenture, the Loan Agreements, applicable legislation, agreements and other documents described in this Official Statement and the appendices hereto are made subject to the provisions of the Bonds and such documents, respectively, and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Authority for further information in connection therewith. Copies of the Indenture and the Loan Agreements are available upon request from the Trustee at the following address: Wells Fargo Bank, National Association, 707 Wilshire Boulevard, 17th Floor, Los Angeles, CA 90017, Attention: Corporate Trust.

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APPENDIX A

THE SPONSORING COMMUNITIES

The following demographic and economic data is presented for information only. The Bonds are not obligations of the Sponsoring Communities and neither the full faith and credit nor the taxing power of the Sponsoring Communities, the State of California or any political subdivision thereof is pledged for payment of the Bonds.

Introduction

Each Participant Agency is located within its respective Sponsoring Community. Pursuant to the Redevelopment Law, all powers of each Participant Agency are vested in its members and each Participant Agency is a separate public body. The Revenues that secure the Bonds consist primarily of amounts received from the Participant Agencies as repayment of the Loans. AB 2115 provides, in addition, that the Trustee will have a lien on the property tax revenues allocated to the applicable Sponsoring Community pursuant to Chapter 6 of Part 6.5 of Division 1 of the Revenue and Taxation Code. Such lien does not, however, apply to the property taxes allocated to each Participant Agency pursuant to Section 33670 of the Redevelopment Law.

The following table shows the ratio of ERAF Payment amount to secured tax charges for each Sponsoring Community; for complete information on the Sponsoring Communities, see the remainder of this Appendix A.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY 2005 Taxable Revenue Bonds, Series A (CRA/ERAF LOAN PROGRAM) Coverage Ratios

<u>Participant Agency</u>	<u>2003-04 Secured Tax Charges⁽¹⁾</u>	<u>Agency's Maximum Annual CRA/ERAF Loan Payment</u>	<u>Coverage⁽²⁾</u>
City of Chula Vista Redevelopment Agency	\$12,070,651	\$102,118	118-to-1
Fullerton Redevelopment Agency	14,046,813	151,284	93-to-1
Paramount Redevelopment Agency	830,711	95,890	9-to-1
City of Pomona Redevelopment Agency	8,531,708	191,796	44-to-1
Redevelopment Agency of the City of Riverside	13,983,752	193,954	72-to-1
Redevelopment Agency of the City of San Jose	95,649,000 ⁽³⁾	2,478,596	39-to-1
San Ramon Redevelopment Agency	7,619,851	71,710	106-to-1
Community Development Commission of the City of Santa Fe Springs	1,385,445	246,322	6-to-1

⁽¹⁾ City share of 1% tax apportionment or levy, as applicable; net of tax increment payable to redevelopment agency.

⁽²⁾ Coverage is ratio of secured tax charges to the Participant Agency's estimated annual CRA/ERAF Loan Payment.

⁽³⁾ Property Tax Receipts.

Sources: California Municipal Statistics, Inc. (secured tax charges for the City of Chula Vista Redevelopment Agency, Fullerton Redevelopment Agency, Paramount Redevelopment Agency, City of Pomona Redevelopment Agency and Community Development Commission of the City of Santa Fe Springs), Riverside County Auditor-Controller's Office (secured tax charges for the Redevelopment Agency of the City of Riverside), City of San José Annual Reports, City Manager's Office (property tax receipts for the Redevelopment Agency of the City of San Jose), County of Contra Costa, Office of Auditor-Controller (secured tax charges for the San Ramon Redevelopment Agency) and Stone & Youngberg LLC (Agency's Maximum Annual CRA/ERAF Loan Payment and Coverage).

GENERAL INFORMATION REGARDING THE CITY OF CHULA VISTA

The City of Chula Vista is the sponsoring jurisdiction of the City of Chula Vista Redevelopment Agency. Founded in 1911, the City of Chula Vista covers 48.9 square miles of San Diego County. The City of Chula Vista's 2000 population reported in the U.S. Census was 173,556. Land uses within the City of Chula Vista include industrial, commercial, and residential developments.

Population

The table below shows the population for the City of Chula Vista for the years 2000 - 2004:

<u>Year</u>	<u>Population</u>
2000	173,556
2001	181,800
2002	191,300
2003	200,700
2004	209,100

Source: U.S. Census (2000) and the California Department of Finance (2001-2004).

Assessed Valuation and Property Taxes

All taxes allocated to the City of Chula Vista are collected by the County of San Diego. The table below shows a five-year history of the City of Chula Vista's assessed valuation and secured tax charges.

CITY OF CHULA VISTA HISTORICAL ASSESSED VALUATION OF PROPERTY, SECURED TAX CHARGES AND DELINQUENCIES

<u>Fiscal Year</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Secured Tax Charges</u> ⁽²⁾	<u>Amount Delinquent June 30</u>	<u>Percent Delinquent June 30</u>
2000-01	\$8,282,747,853	\$8,821,539	\$142,635	1.62%
2001-02	9,543,390,447	9,790,778	144,429	1.48
2002-03	10,874,304,524	10,712,794	144,415	1.35
2003-04	12,590,941,527	12,070,651	147,769	1.22
2004-05	14,666,315,843	Not available ⁽³⁾	Not available ⁽³⁾	Not available ⁽³⁾

⁽¹⁾ Prior to deduction of homeowner's exemption; net of other exemptions and redevelopment increment.

⁽²⁾ City share of 1% tax apportionment; net of tax increment payable to the City of Chula Vista Redevelopment Agency.

⁽³⁾ Fiscal Year 2004-05 secured tax charge data not available until the end of the fiscal year, June 30, 2005.

Source: California Municipal Statistics, Inc.

The County of San Diego has adopted the "Teeter Plan" with respect to the collection of property taxes, however, the City of Chula Vista does not participate in such plan. For a description of the Teeter Plan and its effect on the receipt of property tax revenues, see "SECURITY FOR THE BONDS – Property Tax Revenues" in the Official Statement.

The table below shows the twenty taxpayers with the greatest combined ownership of secured property in the City of Chula Vista on the 2004-05 tax roll.

**CITY OF CHULA VISTA
LARGEST SECURED TAXPAYERS
2004-2005**

	<u>Property Owner</u>	<u>Land Use</u>	<u>2004-05 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	ROHR, Inc.	Industrial	\$167,813,961	1.12%
2.	CV Center Inc.	Shopping Center	95,000,000	0.64
3.	BRE Properties Inc.	Apartments	75,896,305	0.51
4.	SSR Realty Advisors/CALSTRS	Apartments	69,039,237	0.46
5.	Camden USA Inc.	Apartments	56,495,438	0.38
6.	Eagle Lomas Verdes LP	Apartments	53,889,142	0.36
7.	Missions at Sunbow LLC	Apartments	46,400,000	0.31
8.	Shea Homes LP	Residential Development	33,426,279	0.22
9.	Cornerstone Summit at Eastlake LP	Residential Development	29,093,597	0.19
10.	KB Home Coastal Inc.	Residential Development	28,785,300	0.19
11.	Gateway Chula Vista LLC	Commercial	28,468,513	0.19
12.	Mark Gosselin Trust	Apartments	26,109,877	0.17
13.	Eucalyptus Grove Holdings LLC	Apartments	25,823,329	0.17
14.	Costco Wholesale Corporation	Commercial	25,451,379	0.17
15.	Wal-Mart Real Estate Business Trust	Commercial	25,088,373	0.17
16.	Cornerstone GDCI Chula Vista LP	Residential Development	24,750,000	0.17
17.	Brookfield Shea Otay LLC	Residential Development	24,571,819	0.16
18.	North Island Federal Credit Union	Commercial	24,290,336	0.16
19.	Cypress Creek Co. LP	Commercial	22,067,755	0.15
20.	San Miguel Village LLC	Residential Development	<u>20,000,000</u>	<u>0.13</u>
			\$902,460,640	6.04%

⁽¹⁾ 2004-05 Local Secured Assessed Valuation: \$14,937,710,674; includes redevelopment agency increment.
Source: California Municipal Statistics, Inc.

GENERAL INFORMATION REGARDING THE CITY OF FULLERTON

The City of Fullerton is the sponsoring jurisdiction of the Fullerton Redevelopment Agency. The City of Fullerton covers 22.3 square miles of Orange County. Founded in 1887, the City of Fullerton's 2000 population reported in the U.S. Census was 126,003. Land uses within the City of Fullerton include industrial, residential, and commercial developments.

Population

The table below shows the population for the City of Fullerton for the years 2000 - 2004:

<u>Year</u>	<u>Population</u>
2000	126,003
2001	127,700
2002	129,200
2003	131,400
2004	134,200

Source: U.S. Census (2000) and the California Department of Finance (2001-2004).

Assessed Valuation and Property Taxes

All taxes allocated to the City of Fullerton are collected by the County of Orange. The table below shows a five-year history of the City of Fullerton's assessed valuation and secured tax charges.

CITY OF FULLERTON HISTORICAL ASSESSED VALUATION OF PROPERTY AND SECURED TAX CHARGES

<u>Fiscal Year</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Secured Tax Charges</u> ⁽²⁾
2000-01	\$6,856,809,762	\$11,120,607
2001-02	7,344,305,950	11,907,365
2002-03	7,985,042,145	12,852,307
2003-04	8,746,042,350	14,046,813
2004-05	9,686,148,177	Not available ⁽³⁾

⁽¹⁾ Prior to deduction of homeowner's exemption; net of other exemptions and redevelopment increment.

⁽²⁾ City share of 1% tax apportionment; net of tax increment payable to the Fullerton Redevelopment Agency.

⁽³⁾ Fiscal Year 2004-05 secured tax charge data not available until the end of the fiscal year, June 30, 2005.
Source: California Municipal Statistics, Inc.

The County of Orange has adopted the "Teeter Plan" with respect to the collection of property taxes and the City of Fullerton participates in such plan. Under the Teeter Plan, the County of Orange distributes to the City of Fullerton the amount of property tax levied, regardless of the amount actually collected, and delinquent payments, penalties, and interest are collected by the County of Orange. For a description of the Teeter Plan and its effect on the receipt of property tax revenues, see "SECURITY FOR THE BONDS – Property Tax Revenues" in the Official Statement.

The table below shows the twenty taxpayers with the greatest combined ownership of secured property in the City of Fullerton on the 2004-05 tax roll.

**CITY OF FULLERTON
LARGEST SECURED TAXPAYERS
2004-2005**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2004-05 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Kimberly-Clark Worldwide Inc.	Industrial	\$141,700,621	1.35%
2.	Beckman Instruments Inc.	Industrial	78,281,861	0.74
3.	Corecare III	Apartments	70,344,140	0.67
4.	Rreef America Reit II Corp.	Industrial	69,164,813	0.66
5.	Teachers Insurance and Annuity Association of America	Industrial	41,629,215	0.40
6.	MGI Amerige HT LP	Apartments	38,886,782	0.37
7.	CT Retail Properties Finances 10 LLC	Commercial	38,751,766	0.37
8.	Orangefair Marketplace	Commercial	35,501,872	0.34
9.	Hughes Aircraft Co.	Industrial	33,281,016	0.32
10.	Oasis Residential	Apartments	32,352,979	0.31
11.	Sunclipse Inc.	Industrial	31,241,571	0.30
12.	M&H Realty Partners V	Industrial	30,186,570	0.29
13.	Haver Hill Apartments LLC	Apartments	29,500,000	0.28
14.	Oscar Mayer & Co.	Industrial	28,210,665	0.27
15.	SCCO College Properties Inc.	Apartments	27,835,288	0.26
16.	MCD-RC CA-Amerige LLC	Commercial	27,438,000	0.26
17.	Yokohama Tire Corp.	Industrial	27,104,234	0.26
18.	Wilson W. Phelps	Commercial	26,745,932	0.25
19.	Unocal Land & Development Co.	Commercial	23,801,206	0.23
20.	BRE Properties Inc.	Apartments	<u>23,309,232</u>	<u>0.22</u>
			\$855,267,736	8.13%

⁽¹⁾ 2004-05 Local Secured Assessed Valuation: \$10,515,539,799; includes redevelopment agency increment.
Source: California Municipal Statistics, Inc.

GENERAL INFORMATION REGARDING THE CITY OF PARAMOUNT

The City of Paramount is the sponsoring jurisdiction of the Paramount Redevelopment Agency. The City of Paramount covers 4.7 square miles of Los Angeles County. The City of Paramount's 2000 population reported in the U.S. Census was 55,266. Land uses within the City of Paramount include residential, industrial, and commercial developments.

Population

The table below shows the population for the City of Paramount for the years 2000 - 2004:

<u>Year</u>	<u>Population</u>
2000	55,266
2001	56,000
2002	56,700
2003	57,200
2004	57,700

Source: U.S. Census (2000) and the California Department of Finance (2001-2004).

Assessed Valuation and Property Taxes

All taxes allocated to the City of Paramount are collected by the County of Los Angeles. The table below shows a five-year history of the City of Paramount's assessed valuation and property tax charges.

CITY OF PARAMOUNT HISTORICAL ASSESSED VALUATION OF PROPERTY, SECURED TAX CHARGES AND DELINQUENCIES

<u>Fiscal Year</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Secured Tax Charges</u> ⁽²⁾	<u>Amount Delinquent</u> <u>June 30</u>	<u>Percent Delinquent</u> <u>June 30</u>
2000-01	\$1,187,387,287	Not available ⁽³⁾	Not available ⁽³⁾	Not available ⁽³⁾
2001-02	1,251,607,827	\$734,719	\$21,193	2.88%
2002-03	1,291,071,418	780,104	21,261	2.73
2003-04	1,368,425,230	830,711	17,808	2.14
2004-05	1,450,758,214	Not available ⁽⁴⁾	Not available ⁽⁴⁾	Not available ⁽⁴⁾

⁽¹⁾ Prior to deduction of homeowner's exemption; net of other exemptions and redevelopment increment.

⁽²⁾ City share of 1% tax levy; net of tax increment payable to the Paramount Redevelopment Agency.

⁽³⁾ Fiscal Year 2000-01 secured tax charge data not available from the County of Los Angeles.

⁽⁴⁾ Fiscal Year 2004-05 secured tax charge data not available until the end of the fiscal year, June 30, 2005.

Source: California Municipal Statistics, Inc.

The County of Los Angeles has not adopted the "Teeter Plan" with respect to the collection of property taxes. For a description of the Teeter Plan and its effect on the receipt of property tax revenues, see "SECURITY FOR THE BONDS – Property Tax Revenues" in the Official Statement.

The table below shows the twenty taxpayers with the greatest combined ownership of secured property in the City of Paramount on the 2004-05 tax roll.

**CITY OF PARAMOUNT
LARGEST SECURED TAXPAYERS
2004-2005**

	<u>Property Owner</u>	<u>Land Use</u>	<u>2004-05 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Paramount Petroleum Corp.	Industrial	\$33,963,928	1.67%
2.	Carlton Forge Works	Industrial	27,848,628	1.37
3.	Weber Metals Inc.	Industrial	25,079,395	1.23
4.	Modern Development Co.	Movie Theater	21,368,544	1.05
5.	Mary L. and Charles J. Lyons, Jr.	Industrial	15,962,448	0.79
6.	Paramount General Hospital Co.	Hospital	13,659,157	0.67
7.	Triangle Development	Apartments	13,536,100	0.67
8.	Home Depot USA Inc.	Commercial Store	13,492,319	0.66
9.	OMP Paramount LLC	Industrial	11,500,000	0.57
10.	FIG Holding Co.	Shopping Center	10,800,000	0.53
11.	Cerro Metal Products Company	Industrial	10,475,561	0.52
12.	AEW Paramount Industrial LLC	Industrial	8,203,454	0.40
13.	Somerset Business Partners	Industrial	8,018,737	0.39
14.	Wares Delaware Corp.	Commercial Store	7,747,930	0.38
15.	RCSC LLC	Industrial	7,044,707	0.35
16.	Hynes Packing Co. Inc.	Industrial	6,827,469	0.34
17.	Paramount Housing Partnership Ltd.	Apartments	6,795,802	0.33
18.	Stater Bros. Market	Commercial Store	6,789,841	0.33
19.	Golden State Engineering Inc.	Commercial – Auto Related	6,687,426	0.33
20.	Spectrum Properties Somerset LP	Industrial	<u>6,300,435</u>	<u>0.31</u>
			\$262,101,881	12.90%

⁽¹⁾ 2004-05 Local Secured Assessed Valuation: \$2,032,096,458; includes redevelopment agency increment.
Source: California Municipal Statistics, Inc.

GENERAL INFORMATION REGARDING THE CITY OF POMONA

The City of Pomona is the sponsoring jurisdiction of the City of Pomona Redevelopment Agency. Founded in 1888, the City of Pomona covers 22.8 square miles of Los Angeles County. The City of Pomona's 2000 population reported in the U.S. Census was 149,473. Land uses within the City of Pomona include residential, industrial, and commercial developments.

Population

The table below shows the population for the City of Pomona for the years 2000 - 2004:

<u>Year</u>	<u>Population</u>
2000	149,473
2001	151,900
2002	153,900
2003	156,300
2004	158,400

Source: U.S. Census (2000) and the California Department of Finance (2001-2004).

Assessed Valuation and Property Taxes

All taxes allocated to the City of Pomona are collected by the County of Los Angeles. The table below shows a five-year history of the City of Pomona's assessed valuation and secured tax charges.

CITY OF POMONA HISTORICAL ASSESSED VALUATION OF PROPERTY, SECURED TAX CHARGES AND DELINQUENCIES

<u>Fiscal Year</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Secured Tax Charges</u> ⁽²⁾	<u>Amount Delinquent June 30</u>	<u>Percent Delinquent June 30</u>
2000-01 ⁽³⁾	\$3,586,191,876	Not available ⁽³⁾	Not available ⁽³⁾	Not available ⁽³⁾
2001-02	3,720,512,995	\$7,350,762	(\$22,620)	Not applicable
2002-03	3,904,683,801	8,169,460	182,567	2.23%
2003-04	4,177,184,204	8,531,708	173,017	2.03
2004-05	4,421,556,386	Not available ⁽⁴⁾	Not available ⁽⁴⁾	Not available ⁽⁴⁾

⁽¹⁾ Prior to deduction of homeowner's exemption; net of other exemptions and redevelopment increment.

⁽²⁾ City share of 1% tax apportionment; net of tax increment payable to the City of Pomona Redevelopment Agency.

⁽³⁾ Fiscal Year 2000-01 secured tax charge data not available from the County of Los Angeles.

⁽⁴⁾ Fiscal Year 2004-05 secured tax charge data not available until the end of the fiscal year, June 30, 2005.

Source: California Municipal Statistics, Inc.

The County of Los Angeles has not adopted the "Teeter Plan" with respect to the collection of property taxes. For a description of the Teeter Plan and its effect on the receipt of property tax revenues, see "SECURITY FOR THE BONDS – Property Tax Revenues" in the Official Statement.

The table below shows the twenty taxpayers with the greatest combined ownership of secured property in the City of Pomona on the 2004-05 tax roll.

**CITY OF POMONA
LARGEST SECURED TAXPAYERS
2004-2005**

	<u>Property Owner</u>	<u>Land Use</u>	<u>2004-05 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Essex the Crest LP	Apartments	\$60,656,659	1.12%
2.	Realty Associates Iowa Corp.	Industrial	31,637,173	0.59
3.	Pomona Gateway Partners LLC	Industrial	31,299,104	0.58
4.	CH Realty II Pomona LP	Industrial	21,000,000	0.39
5.	FDS Manufacturing Co.	Industrial	18,554,229	0.34
6.	Devry Inc.	Office Building	18,391,066	0.34
7.	Familian Corp.	Industrial	17,375,058	0.32
8.	Weiss Family LP	Shopping Center	16,276,398	0.30
9.	Western Terramonte Partners LP	Apartments	14,630,754	0.27
10.	Mission Equities LLC	Industrial	14,593,779	0.27
11.	Walmart Real Estate Business Trust	Commercial Store	14,042,365	0.26
12.	Hayward Manufacturing Co. Inc.	Industrial	13,842,505	0.26
13.	Aslan Marin Club LLC	Apartments	13,723,072	0.25
14.	Pomona Acquisition Corp.	Industrial	13,496,693	0.25
15.	UTC Venture LP	Office Building	13,475,000	0.25
16.	Pomona Park and Plaza LLC	Apartments	13,307,039	0.25
17.	Pioneer Electronics Technology Inc.	Industrial	13,050,769	0.24
18.	Mack University Ltd.	Office Building	12,486,933	0.23
19.	Bonita Ave. Properties	Industrial	12,395,762	0.23
20.	Pomona KB Associates LLC	Office Building	<u>10,689,926</u>	<u>0.20</u>
			\$374,924,284	6.94%

⁽¹⁾ 2004-05 Local Secured Assessed Valuation: \$5,398,784,127; includes redevelopment agency increment.
Source: California Municipal Statistics, Inc.

GENERAL INFORMATION REGARDING THE CITY OF RIVERSIDE

The City of Riverside is the sponsoring jurisdiction of the Redevelopment Agency of the City of Riverside. Incorporated as a charter city in 1883, the City of Riverside covers 78.1 square miles of Riverside County. The City of Riverside’s 2000 population reported in the U.S. Census was 255,166. Land uses within the City of Riverside include all types of residential, commercial and industrial property.

Population

The table below shows the population for the City of Riverside for the years 2000 - 2004:

<u>Year</u>	<u>Population</u>
2000	255,166
2001	261,700
2002	270,100
2003	276,300
2004	277,000

Source: U.S. Census (2000) and the California Department of Finance (2001-2004).

Assessed Valuation and Property Taxes

All taxes allocated to the City of Riverside are collected by the County of Riverside. The table below shows a five-year history of the City of Riverside’s assessed valuation and secured tax charges.

CITY OF RIVERSIDE HISTORICAL ASSESSED VALUATION OF PROPERTY AND SECURED TAX CHARGES

<u>Fiscal Year</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Secured Tax Charges</u> ⁽²⁾
2000-01	\$10,154,589,783	\$11,010,255
2001-02	10,980,032,339	11,953,541
2002-03	11,859,042,784	12,977,128
2003-04	12,739,293,128	13,983,752
2004-05	13,974,945,689	Not available ⁽³⁾

⁽¹⁾ Prior to deduction of homeowner’s exemption; net of other exemptions and redevelopment increment.

⁽²⁾ City share of 1% tax levy; net of tax increment payable to the Redevelopment Agency of the City of Riverside.

⁽³⁾ Fiscal Year 2004-05 secured tax charge data not available until the end of the fiscal year, June 30, 2005.

Sources: California Municipal Statistics, Inc. (assessed valuation) and Riverside County Auditor Controller’s Office (secured tax charges).

The County of Riverside has adopted the “Teeter Plan” with respect to the collection of property taxes, however, the City of Riverside does not participate in such plan. For a description of the Teeter Plan and its effect on the receipt of property tax revenues, see “SECURITY FOR THE BONDS – Property Tax Revenues” in the Official Statement.

The table below shows the twenty taxpayers with the greatest combined ownership of secured property in the City of Riverside on the 2004-05 tax roll.

**CITY OF RIVERSIDE
LARGEST SECURED TAXPAYERS
2004-2005**

		2004-05 Assessed Valuation	% Total⁽¹⁾
<u>Property Owner</u>	<u>Land Use</u>		
1. Tyler Mall LP	Shopping Center	\$141,698,131	0.95%
2. State Street Bank & Trust Co. of California	Commercial	101,259,689	0.68
3. BRE Properties Inc.	Apartments	91,589,202	0.61
4. California State Teachers Retirement System	Apartments	55,390,879	0.37
5. Charter Communications Entertainment II	Communications	54,930,578	0.37
6. Riverside Healthcare System	Hospital	52,394,989	0.35
7. ROHR, Inc.	Industrial	49,989,362	0.33
8. Bottling Group	Industrial	49,167,988	0.33
9. Press Enterprise Co.	Industrial	44,912,449	0.30
10. Mission Grove Park Apartments	Apartments	44,270,157	0.30
11. University Village	Commercial	41,123,854	0.27
12. Bryan H. Richter	Apartments	37,642,911	0.25
13. Metal Container Corp.	Industrial	35,133,756	0.23
14. Ralph's Grocery Co.	Industrial	32,573,553	0.22
15. Nordstrom Inc.	Commercial	31,544,173	0.21
16. Mission Grove Plaza LP	Commercial	29,202,735	0.20
17. Windemere at Sycamore Highlands	Apartments	29,099,995	0.19
18. Historic Mission Inn Corp.	Hotel	29,049,158	0.19
19. Quebecor World Inc.	Industrial	28,941,446	0.19
20. D.R. Horton Los Angeles Holding Co. Inc.	Residential Development	<u>27,009,970</u>	<u>0.18</u>
		\$1,006,924,975	6.73%

⁽¹⁾ 2004-05 Local Secured Assessed Valuation: \$14,966,348,981; includes redevelopment agency increment.

Source: California Municipal Statistics, Inc.

GENERAL INFORMATION REGARDING THE CITY OF SAN JOSÉ

The City of San José is the sponsoring jurisdiction of the Redevelopment Agency of the City of San José. The City of San José covers 177.7 square miles of Santa Clara County, one of the nine counties of the San Francisco Bay Area. The City of San José's 2004 population reported by the California Department of Finance was 926,200. Land uses within the City of San José include all types of residential, commercial and industrial property, supporting an economy focused heavily on technology and manufacturing.

Population

The table below shows the population for the City of San José for the years 2000 - 2004:

<u>Year</u>	<u>Population</u>
2000	894,943
2001	903,800
2002	916,500
2003	919,600
2004	926,200

Source: U.S. Census (2000) and the California Department of Finance (2001-2004).

Assessed Valuation and Property Taxes

All taxes allocated to the City of San José are collected by the County of Santa Clara. The table below shows a five-year history of the City of San José's assessed valuation and property tax receipts.

CITY OF SAN JOSÉ HISTORICAL ASSESSED VALUE OF PROPERTY AND PROPERTY TAX RECEIPTS

(In thousands)

<u>Fiscal Year</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Property Tax Receipts</u> ⁽²⁾
2000-01	\$57,841,132	\$80,694
2001-02	64,523,689	88,286
2002-03	68,693,701	93,592
2003-04	73,945,239	95,649
2004-05	77,918,536	Not available ⁽³⁾

⁽¹⁾ Prior to deduction of homeowner's exemption; net of other exemptions and redevelopment increment.

⁽²⁾ Share of property tax revenue received by the City from 1% tax levy; net of tax increment payable to the Redevelopment Agency of the City of San José.

⁽³⁾ Fiscal Year 2004-05 property tax receipt data not available until the end of the fiscal year, June 30, 2005.

Sources: California Municipal Statistics, Inc. (assessed valuation) and City of San José Annual Reports, City Manager's Office (property tax receipts).

The County of Santa Clara has adopted the "Teeter Plan" with respect to the collection of property taxes and the City of José participates in such plan. For a description of the Teeter Plan and its effect on the receipt of property tax revenues, see "SECURITY FOR THE BONDS – Property Tax Revenues" in the Official Statement.

The table below shows the twenty taxpayers with the greatest combined ownership of secured property in the City of San José on the 2004-05 tax roll.

**CITY OF SAN JOSÉ
LARGEST SECURED TAXPAYERS
2004-2005**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2004-05 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Cisco Technology Inc.	Manufacturing	\$629,417,941	0.74%
2.	Hitachi Global Storage Technologies Inc.	Manufacturing	573,472,396	0.68
3.	Sobrato Development Companies	Industrial	450,532,143	0.53
4.	VF Mall LLC	Shopping Center	436,467,336	0.52
5.	Spieker Properties LP	Office Building	374,813,179	0.44
6.	Irvine Community Development Co.	Apartments	295,897,364	0.35
7.	San Jose Water Works	Water Services	271,553,533	0.32
8.	Carramerica Realty Corp.	Industrial	255,061,735	0.30
9.	Bay Apartment Communities Inc.	Apartments	250,043,283	0.30
10.	Mission West Properties LP	Manufacturing	249,370,347	0.29
11.	Frit San Jose Town & Country Village LLC	Shopping Center	244,398,278	0.29
12.	Xilinx Inc.	Industrial	237,802,429	0.28
13.	International Business Machines Corp.	Manufacturing	207,661,384	0.25
14.	Adobe Systems Inc., Sublessee	Manufacturing	201,865,514	0.24
15.	EBay Inc.	Office Building	200,244,093	0.24
16.	Agilent Technologies Inc.	Office Building	181,177,885	0.21
17.	Barbaccia Properties	Apartments	157,214,551	0.19
18.	ABN Amro Leasing Inc.	Industrial	146,696,145	0.17
19.	Oakridge Mall LP	Shopping Center	138,347,629	0.16
20.	Maxim Integrated products Inc.	Industrial	<u>128,319,157</u>	<u>0.15</u>
			\$5,630,356,322	6.65%

⁽¹⁾ 2004-05 Local Secured Assessed Valuation: \$84,629,745,745; includes redevelopment agency increment.
Source: California Municipal Statistics, Inc.

GENERAL INFORMATION REGARDING THE CITY OF SAN RAMON

The City of San Ramon is the sponsoring jurisdiction of the San Ramon Redevelopment Agency. The City of San Ramon, located in the San Ramon Valley, covers 11.6 square miles of Contra Costa County. The City of San Ramon's 2000 population reported in the U.S. Census was 44,722. Land uses within the City of San Ramon include a variety of major employment centers, apartments, and commercial developments.

Population

The table below shows the population for the City of San Ramon for the years 2000 - 2004:

<u>Year</u>	<u>Population</u>
2000	44,722
2001	45,850
2002	46,750
2003	46,950
2004	48,600

Source: U.S. Census (2000) and the California Department of Finance (2001-2004).

Assessed Valuation and Property Taxes

All taxes allocated to the City of San Ramon are collected by the County of Contra Costa. The table below shows a five-year history of the City of San Ramon's assessed valuation and secured tax charges.

CITY OF SAN RAMON HISTORICAL ASSESSED VALUATION OF PROPERTY AND SECURED TAX CHARGES

<u>Fiscal Year</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Secured Tax Charges</u> ⁽²⁾
2000-01	\$5,735,343,590	\$6,146,180
2001-02	6,550,473,829	6,739,489
2002-03	7,118,825,770	7,106,158
2003-04	7,733,694,282	7,619,851
2004-05	8,953,826,643	Not available ⁽³⁾

⁽¹⁾ Prior to deduction of homeowner's exemption; net of other exemptions and redevelopment increment.

⁽²⁾ City share of 1% tax apportionment; net of tax increment payable to the San Ramon Redevelopment Agency.

⁽³⁾ Fiscal Year 2004-05 secured tax charge data not available until the end of the fiscal year, June 30, 2005.

Sources: California Municipal Statistics, Inc. (assessed valuation) and County of Contra Costa, Office of Auditor-Controller (secured tax charges).

The County of Contra Costa has adopted the "Teeter Plan" with respect to the collection of property taxes and the City of San Ramon participates in such plan. Under the Teeter Plan, the County of Contra Costa distributes to the City of San Ramon the amount of property tax levied, instead of the amount actually collected, and delinquent payments, penalties, and interest are collected by the County of Contra Costa. For a description of the Teeter Plan and its effect on the receipt of property tax revenues, see "SECURITY FOR THE BONDS – Property Tax Revenues" in the Official Statement.

The table below shows the twenty taxpayers with the greatest combined ownership of secured property in the City of San Ramon on the 2004-05 tax roll.

**CITY OF SAN RAMON
LARGEST SECURED TAXPAYERS
2004-2005**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2004-05 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Sunset Building Company LLC / Sunset Land Company	Office Building	\$316,004,110	3.41%
2.	Chevron USA Inc.	Office Building	315,121,921	3.40
3.	SDC	Office Building	141,673,327	1.53
4.	Annabel Investment Co.	Office Building	137,941,628	1.49
5.	Essex San Ramon Partners / Essex Portfolio LP	Apartments	89,822,231	0.97
6.	Alexander Properties Co.	Office Building	84,241,685	0.91
7.	BRE Properties Inc.	Apartments	61,294,741	0.66
8.	ASN Multifamily LP	Apartments	59,703,739	0.64
9.	NME Hospitals Inc.	Hospital	52,898,614	0.57
10.	Gateway Crescent Inc.	Apartments	43,664,582	0.47
11.	Cedar Grove Apartments	Apartments	43,524,003	0.47
12.	GMS Five LLC	Shopping Center	36,257,922	0.39
13.	Brookfield Ambridge LLC	Apartments	35,755,993	0.39
14.	Keenan/Bariteau Bishop Ranch	Shopping Center	31,504,476	0.34
15.	Sequoia Equities-Trinity	Apartments	31,148,087	0.34
16.	Grupe Real Estate Investors	Apartments	30,213,343	0.33
17.	Nearon Sunset LLC	Office Building	29,798,954	0.32
18.	Toyota Motor Sales USA	Industrial	28,587,196	0.31
19.	CA-2010 Crow Canyon LP	Office Building	25,755,000	0.28
20.	Brookfield Belrose LLC	Residential Properties	<u>25,480,248</u>	<u>0.27</u>
			<u>\$1,620,391,800</u>	<u>17.46%</u>

⁽¹⁾ 2004-05 Local Secured Assessed Valuation: \$9,279,221,515; includes redevelopment agency increment.
Source: California Municipal Statistics, Inc.

GENERAL INFORMATION REGARDING THE CITY OF SANTA FE SPRINGS

The City of Santa Fe Springs is the sponsoring jurisdiction of the Community Development Commission of the City of Santa Fe Springs. The City of Santa Fe Springs covers 8.8 square miles of Los Angeles County. The City of Santa Fe Springs's 2000 population reported in the U.S. Census was 17,438. Land uses within the City of Santa Fe Springs include commercial, industrial, and residential, with a focus on business development.

Population

The table below shows the population for the City of Santa Fe Springs for the years 2000 - 2004:

<u>Year</u>	<u>Population</u>
2000	17,438
2001	16,600
2002	16,900
2003	17,100
2004	17,750

Source: U.S. Census (2000) and the California Department of Finance (2001-2004).

Assessed Valuation and Property Taxes

All taxes allocated to the City of Santa Fe Springs are collected by the County of Los Angeles. The table below shows a five-year history of the City of Santa Fe Springs's assessed valuation and secured tax charges.

CITY OF SANTA FE SPRINGS HISTORICAL ASSESSED VALUATION OF PROPERTY, SECURED TAX CHARGES AND DELINQUENCIES

<u>Fiscal Year</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Secured Tax Charges</u> ⁽²⁾	<u>Amount Delinquent June 30</u>	<u>Percent Delinquent June 30</u>
2000-01	\$1,900,423,802	Not available ⁽³⁾	Not available ⁽³⁾	Not available ⁽³⁾
2001-02	2,011,848,251	\$1,188,875	\$31,467	2.65%
2002-03	2,089,282,868	1,314,619	38,777	2.95
2003-04	2,172,510,973	1,385,445	40,699	2.94
2004-05	2,230,363,404	Not Available ⁽⁴⁾	Not available ⁽⁴⁾	Not available ⁽⁴⁾

⁽¹⁾ Prior to deduction of homeowner's exemption; net of other exemptions and redevelopment increment.

⁽²⁾ City share of 1% tax apportionment; net of tax increment payable to the Community Development Commission of the City of Santa Fe Springs.

⁽³⁾ Fiscal Year 2000-01 secured tax charge data not available from the County of Los Angeles.

⁽⁴⁾ Fiscal Year 2004-05 secured tax charge data not available until the end of the fiscal year, June 30, 2005.

Source: California Municipal Statistics, Inc.

The County of Los Angeles has not adopted the "Teeter Plan" with respect to the collection of property taxes. For a description of the Teeter Plan and its effect on the receipt of property tax revenues, see "SECURITY FOR THE BONDS – Property Tax Revenues" in the Official Statement.

The table below shows the twenty taxpayers with the greatest combined ownership of secured property in the City of Santa Fe Springs on the 2004-05 tax roll.

**CITY OF SANTA FE SPRINGS
LARGEST SECURED TAXPAYERS
2004-2005**

		2004-05 Assessed Valuation	% of Total⁽¹⁾
<u>Property Owner</u>	<u>Land Use</u>		
1. Golden Springs Development Company LLC	Industrial	\$136,801,990	3.84%
2. ARI Heritage Corporate Center LLC, Lessee	Industrial	53,922,450	1.52
3. AMB Property LP	Industrial	42,980,890	1.21
4. Maruichi American Corp.	Commercial	42,860,888	1.20
5. McMaster-Carr Supply Co.	Industrial	42,715,747	1.20
6. Vons Companies Inc.	Industrial	37,557,280	1.06
7. Rreef America REIT Corp.	Industrial	36,194,498	1.02
8. LBA-VIF One Santa Fe Towne Center LLC	Office Building	34,996,095	0.98
9. Metropolitan Life Insurance Company	Industrial	33,384,464	0.94
10. Bloomfield Commerce Center Corp.	Industrial	33,181,531	0.93
11. Doug Fir LLC	Industrial	33,093,010	0.93
12. Catellus Development corp.	Industrial	29,401,035	0.83
13. PPF Industrial Valley View LP	Industrial	29,145,161	0.82
14. M and H Realty Partners IV LP	Shopping Center	28,472,428	0.80
15. Carmenita Plaza LLC	Shopping Center	27,700,000	0.78
16. Prudential Insurance Co. of America	Industrial	24,590,287	0.69
17. First Industrial LP	Industrial	22,858,954	0.64
18. CFH ENVP LP	Industrial	20,313,783	0.57
19. Procal	Industrial	19,266,099	0.54
20. Fremont Development Co.	Industrial	<u>18,825,465</u>	<u>0.53</u>
		\$748,262,055	21.03%

⁽¹⁾ 2004-05 Local Secured Assessed Valuation: \$3,558,490,537; includes redevelopment agency increment.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING REVENUES OF SPONSORING COMMUNITIES

Limitations on Revenues

Article XIII A of the California Constitution. Article XIII A of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIII A limits the maximum *ad valorem* tax on real property to one percent of “full cash value,” and provides that such tax shall be collected by the Counties and apportioned according to State law. Section 1(b) of Article XIII A provides that the one percent limitation does not apply to *ad valorem* taxes levied to pay interest and redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the bond proposition.

Section 2 of Article XIII A defines “full cash value” to mean the county assessor’s valuation of real property as shown on the fiscal year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except the one percent base tax levied by each County and taxes to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

Section 51 of the Revenue and Taxation Code permits County assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in the Orange County Superior Court and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. The Orange County Superior Court held the recapture practice unconstitutional, and the county appealed. On March 26, 2004, the California Court of Appeal, Fourth District, in *County of Orange v. Bezaire*, reversed the ruling of the Superior Court, approving the County of Orange’s current practice.

Article XIII C and Article XIII D of the California Constitution. On November 5, 1996, the voters of the State approved Proposition 218, the so-called “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of local agencies, including the Sponsoring Communities, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes); prohibits special purpose government agencies from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote. Article XIII C also provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

Article XIII C also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Legislation adopted in 1997 provides that Article XIII C shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure which would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIII D deals with assessments and property-related fees and charges. Article XIII D explicitly provides that nothing in Article XIII C or XIII D shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however, it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the Sponsoring Communities. Developer fees and Landscape and Lighting Act Assessments imposed by the Sponsoring Communities are neither pledged nor available to pay Loans or 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 certainty the outcome of such determination.

Expenditures and Appropriations

Article XIII B of the California Constitution. In addition to the limits Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and local governments are subject to an annual “appropriations limit” or “Gann Limit” imposed by Article XIII B of the State Constitution, which effectively limits the amount of such revenues that government entities are permitted to spend. Article XIII B, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to “proceeds of taxes,” which consist of tax revenues, state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed “the cost reasonably borne by such entity in providing the regulation, product or service.” “Proceeds of taxes” excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not “proceeds of taxes,” such as reasonable user charges or fees, and certain other non-tax funds.

Article XIII B also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. The appropriations limit may also be exceeded in cases of emergency; however, the appropriations limit for the three years following such

emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services.

As amended by Proposition 111, Article XIII B requires that each agency's actual appropriations be tested against its limit every two years. If the aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years. As amended by Proposition 98, Article XIII B provides for a payment of a portion of the excess revenues to a fund established to assist in financing certain school needs.

Future Initiatives. Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 98 and 111, were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting Available Tax Revenues or the ability of the Participant Agencies or the Sponsoring Communities to expend revenues.

APPENDIX B

SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS

Following is a summary of certain provisions of the Indenture and the Loan Agreements. This summary does not purport to be comprehensive or definitive and is subject to all the terms and provisions of the Indenture and the Loan Agreements, to which reference is hereby made and copies of which are available from the Authority.

CERTAIN DEFINITIONS

Capitalized terms not otherwise defined in this Official Statement shall have the following respective meanings, as assigned to them in the Indenture and the Loan Agreements.

“Agency” means a redevelopment agency receiving a Loan pursuant to a Loan Agreement.

“Authority’s Fee” means the Authority’s annual fee.

“Bond Insurance Policy” means the Municipal Bond Insurance Policy issued by the Insurer insuring when due the payment of the Bonds.

“Bond Year” means each twelve-month period extending from August 2 in one calendar year to August 1 of the succeeding calendar year, both dates inclusive, except that the first Bond Year shall commence on the Closing Date, and end on August 1, 2005.

“Business Day” means any day, other than a Saturday or Sunday or a day on which commercial banks in New York, New York, or the corporate trust office of the Trustee located in Los Angeles, California, are required or authorized by law to close or a day on which the New York Stock Exchange is closed.

“Continuing Disclosure Agreement” shall mean that certain Continuing Disclosure Agreement relating to the Bonds, dated as of the Closing Date, executed by the Agency and the Trustee, as dissemination agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Defeasance Obligations” means (a) cash, or (b) non-callable Federal Securities.

“ERAF Payment” means the payment required to be made by an Agency by May 10, 2005, pursuant to Section 33681.12 of the California Health and Safety Code to a county auditor for deposit in the Educational Revenue Augmentation Fund created for such county pursuant to Article 3 (commencing with Section 97) of Chapter 6 of Part 0.5 of Division 1 of the California Revenue and Taxation Code.

“Federal Securities” means (a) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America, (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.

"Insurer" means Financial Security Assurance, Inc., a New York stock insurance company as issuer of the Bond Insurance Policy.

"Loan" means the loan made by the Authority to an Agency under and pursuant to a Loan Agreement for the purpose of payment of the ERAF Payment of such Agency.

"Loan Agreement" means the CRA/ERAF Loan Program 2005 Loan Agreement, dated as of April 1, 2005, by and among the Authority, the Trustee and an Agency relating to the Loan of a portion of the proceeds of the Bonds to the Agency for the purpose of making the Agency's ERAF Payment.

"Loan Payment" means a scheduled payment on a Loan as set forth in the applicable Loan Agreement.

"Moody's" means Moody's Investors Service, its successors and assigns.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) Federal Housing Administration debentures.
- (c) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
 - (i) 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
 - (ii) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes
 - (iii) Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
 - (iv) 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)
 - (v) 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 call date)
 - (vi) Financing Corporation (FICO)
Debt obligations
 - (vii) Resolution Funding Corporation (REFCORP)
Debt obligations

(d) 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.

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

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

(g) Money market funds rated 'AAm' or 'AAm-G' by S&P, or better.

(h) "State Obligations", which means:

(i) 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.

(ii) 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.

(iii) 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.

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

(i) 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;

(ii) 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;

(iii) 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");

- (iv) 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;
 - (v) 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
 - (vi) 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.
- (j) 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:

- (i) 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);
- (ii) 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 transferor's books);
- (iii) 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);
- (iv) All other requirements of S&P in respect of repurchase agreements shall be met.
- (v) 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 "Aa" by Moody's, respectively.

(k) with the written approval of the Insurer (if a Bond insured by the Insurer is outstanding), investment agreements with a domestic or foreign bank 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 a case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "A" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

- (i) 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;
- (ii) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Agency 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;
- (iii) 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;
- (iv) the Agency or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Agency 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;
- (v) the investment agreement shall provide that if during its term
 - (A) 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 provider's books) to the Agency, 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 Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);
 - or (B) repay the principal of and accrued but unpaid interest on the investment, and
- (vi) the provider's 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 Agency 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 Agency or Trustee, and
- (vii) 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);

(viii) the investment agreement must provide that if during its term:

(A) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Agency 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 Agency or Trustee, as appropriate, and

(B) 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 Agency or Trustee, as appropriate;

(l) the Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name; and

(m) so long as any Bond insured by the Insurer is Outstanding, any other investments permitted in writing by the Insurer, provided that such investment is rated at least "A-" by S&P.

"Program Expense Account" means the account by that name established and held by the Trustee pursuant to the Indenture.

"Program Expenses" means the Trustee's Annual Fee, the Authority's Fee, the Authority's costs of complying with its continuing disclosure covenants, as set forth in the Indenture, and any other cost and expense incurred in connection with the administration of the Indenture and the Bonds.

"Qualified Reserve Account Credit Instrument" means an irrevocable standby or direct-pay letter of credit, bond insurance or surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) the long-term credit rating of such bank or claims paying ability of such insurance company is AAA from S&P or AAA from Moody's or, if rated by A.M. Best & Company, is rated in the highest rating category by A.M. Best & Company; (b) such letter of credit or surety bond has a term of at least 12 months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released from the Reserve Account; and (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account for the Sinking Account or the purpose of making payments required pursuant to the Indenture.

"Redevelopment Law" means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and safety Code of the State, and the acts amendatory thereof and supplemental thereto.

"Reserve Account" means the account by that name established and held by the Trustee pursuant to the Indenture.

“Reserve Requirement” means the amount established by the Indenture (equal to approximately 50% of the maximum annual debt service on the Bonds).

“Revenues” means: (a) the aggregate of all amounts payable by Agencies pursuant to all Loan Agreements, other than administrative fees and expenses and indemnity against claims payable to the Authority and the Trustee; (b) any proceeds of Bonds originally deposited with the Trustee and all moneys deposited and held from time to time by the Trustee in the funds and accounts established in the Indenture; (c) investment income with respect to any moneys held by the Trustee in the funds and accounts established hereunder; and (d) any other investment income received hereunder.

“S&P” means Standard and Poor’s Credit Market Services, its successors and assigns.

“Trustee’s Annual Fee” means annual continuing trust administration fee of the Trustee, computed and payable annually in advance.

SUMMARY OF THE INDENTURE

Application of Bond Proceeds

All of the proceeds of the Bonds are to be deposited and applied as described in the Official Statement under “ESTIMATED SOURCES AND USES OF FUNDS.”

Loan Fund

On the Closing Date, the Authority shall provide the Trustee with the amount of the ERAF Payment for each Agency and the schedule of the Loan Payments to be made by each Agency under the applicable Loan Agreement, together with the name and address of each County Auditor of the County in which such Agency is located. The Trustee shall disburse all amounts in the Loan Fund on the Closing Date pursuant to the Loan Agreements to the applicable County Auditor in payment of each of the Agency’s ERAF Payments in the amounts and at the addresses provided by the Authority. Also, promptly following the Closing Date the Trustee shall, by certified mail, provide each schedule of Loan payments to the applicable County Auditor, together with the name and address of the Trustee. The Trustee shall confirm to the Authority receipt of the schedule by the applicable County Auditor and maintain a record of the receipt of the schedule by each such County Auditor. Having disbursed all amounts in the Loan Fund pursuant to the Loan Agreements to the applicable County Auditor in payment of each of the Agency’s ERAF Payments, the Trustee shall close the Loan Fund.

Costs of Issuance Fund

The moneys in the Costs of Issuance Fund shall be used to pay Costs of Issuance from time to time upon receipt of a Request of the Authority, which Request shall specify the amount to be paid, the name and address (if not otherwise provided) of the payee, and shall certify that the amount to be paid is a proper charge on the Costs of Issuance Fund. On the date which is ninety (90) days following the Closing Date, or upon the earlier receipt by the Trustee of a Request of the Authority stating that all Costs of Issuance have been paid, the Trustee shall deposit all amounts remaining in the Costs of Issuance Fund to the Interest Account.

Pledge and Assignment

Subject only to the provisions of the Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in the Indenture, all Revenues and all right, title and interest of the Authority in the Loan Agreements are pledged and assigned to the Trustee to secure the payment of the principal of and interest on the Bonds.

The Indenture provides that the Trustee shall be entitled to and shall receive all the Revenues, and any such Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee shall, with the consent or at the direction of the Insurer, also be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the Agency under the Loan Agreements.

Payment of Loan Payment From Property Taxes

After ten (10) Business Days of the date upon which an Agency shall be delinquent in the timely payment of a Loan Payment (and if such Loan Payment has not been received by the Trustee by the end of such ten (10) Business Day period), the Trustee shall promptly notify the applicable County Auditor, by certified mail, of the fact and amount of such Loan Payment that is past due and shall direct such County-Auditor to pay such amount to the Trustee from the next available property taxes of the applicable city or county, all as provided in Section 33681.15 of the California Health and Safety Code.

Revenue Fund

All Revenues derived from amounts paid to the Authority by the Agency pursuant to the Loan Agreements (other than administrative expenses and indemnity against claims payable to the Authority and the Trustee and amounts payable to the United States of America pursuant to the Loan Agreement) are required to be promptly deposited by the Trustee upon receipt thereof in the Revenue Fund which the Trustee is to establish, maintain and hold in trust under the Indenture.

Three Business Days prior to each Interest Payment Date, the Trustee is required to transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Trustee is required to establish and maintain within the Revenue Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

1. Interest Account. Three Business Days prior to each Interest Payment Date, the Trustee is required to deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all outstanding Bonds.

All moneys in the Interest Account are required to be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds redeemed prior to maturity).

2. Principal Account. Three Business Days prior to each Interest Payment Date, on which the principal of the Bonds is payable the Trustee is required to deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to

equal the principal amount of the Bonds coming due and payable on such date pursuant to the Indenture.

All moneys in the Principal Account are required to be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds at the maturity thereof.

3. Program Expense Account. On each Interest Payment Date, the Trustee shall withdraw from the Revenue Fund and deposit in the Program Expense Account an amount of money that, together with any other money then in the Program Expense Account, shall be sufficient to pay all Program Expenses that are then due and payable or which shall become due and payable prior to the next succeeding Interest Payment Date. Any amounts remaining in the Program Expense Account after payment of all Program Expense to be incurred upon final maturity of the Bonds shall be transferred to the Revenue Fund.

4. Reserve Account. On each Interest Payment Date, the Trustee shall withdraw from the Revenue Fund and deposit in the Reserve Account an amount of money that shall be required to maintain in the Reserve Account an amount equal to the Reserve Requirement. No such deposit need be made to the Reserve Account so long as there shall be on deposit therein an amount at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account, in such order, in the event of any deficiency at any time in any of such accounts with respect to amounts due on the Bonds or for the retirement of all of the Bonds, except that so long as the Authority is not in default under the Indenture, any amount in the Reserve Account in excess of an amount equal to the Reserve Requirement shall be withdrawn from the Reserve Account by the Trustee on or before the seventh (7th) Business Day preceding each Interest Payment Date and deposited in the Revenue Fund to be used to make payment on the Bonds. All amounts in the Reserve Account on the seventh (7th) day preceding the final Principal Payment Date shall be withdrawn from the Reserve Account and transferred either (i) to the Interest Account or the Principal Account, in such order, to the extent required to make the deposits then required to be made with respect to amounts then due on the Bonds pursuant to the Indenture or, (ii) if the Authority shall have caused to be deposited in the Revenue Fund an amount sufficient to make the deposits required by the Indenture, then at the Written Request of the Authority to the Authority for transfer to the respective Agencies pro rata based on the ERAF Payments of the respective Agencies.

In satisfaction of the Reserve Requirement, the Authority shall tender to the Trustee on the Closing Date a Qualified Reserve Fund Credit Instrument consisting of a Municipal Bond Debt Service Reserve Insurance Policy issued by the Insurer. The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this subsection. Upon any expiration of the Qualified Reserve Account Credit Instrument, the Agency shall replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument. If, in the future, the Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency in the Interest Account and the Principal Account, in such order.

5. Rebate of Surplus Funds. (a) Promptly following each August 1, commencing August 1, 2006, after having paid or provided for payment of all amounts then due and payable under the Indenture, the Trustee shall rebate any surplus funds remaining in the Revenue Fund

established by this Indenture to the Agencies, pro rata based on the respective principal amounts of the Loans.

(b) Upon payment of the Bonds in full and after having paid or provided for payment of all amounts payable to the Trustee and the Insurer under the Indenture, any surplus funds remaining in the funds and accounts established by the Indenture shall be rebated by the Trustee to the Agencies, pro rata based on the respective principal amounts of the Loans.

Claims Upon the Bond Insurance Policy

The following provisions apply to claims upon the Bond Insurance Policy with respect to the Bonds and apply to payments by and to the Insurer:

(a) If, on the third Business Day prior to the related scheduled Interest Payment Date or principal payment date or the date to which a Bond maturity has been accelerated ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) ("the Insurer's Fiscal Agent") by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(b) In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Trustee shall authenticate and deliver to affected Bond Owners who surrender their Bonds a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered. The Trustee shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bond Owners, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Financial Security Assurance Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Authority on any Bond for the subrogation rights of the Insurer.

(c) The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(d) Upon payment of a claim under the Bond Insurance Policy the Trustee shall establish a separate special purpose trust account for the benefit of Bond Owners referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Bond Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bond Owners in the same manner as principal and interest payments are to be made

with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

(e) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee.

(f) Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Insurer.

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

Rights of Insurer

(a) The following provisions shall govern, notwithstanding anything to the contrary set forth in the Indenture. The rights granted to the Insurer under the Indenture to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Bond Insurance Policy. In this regard, the Insurer is a third party beneficiary of the Indenture. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Bond Owners. With respect to modification or amendment of the Indenture, the Bond Owner's consent shall not be required in addition to consent of the Insurer where the Insurer was granted such right of consent.

(b) The Insurer shall be deemed to be the sole owner of the Bonds insured by it 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 of the Indenture. The Trustee shall take no action except with the consent, or at the direction, of the Insurer. No contract shall be entered into or action taken by which the rights of the Insurer or the security or sources of payment for the Bonds may be impaired or prejudiced, except upon obtaining the prior written consent of the Insurer.

(c) The rights of the Insurer to direct or consent to Agency, Trustee or Bondholder actions under the Indenture shall be suspended during any period in which the Insurer is in default in its payment obligations under the Bond Insurance Policy (except to the extent of amounts previously paid by the Insurer and due and owing to the Insurer) and shall be of no force or effect in the event the Bond Insurance Policy is no longer in effect or the Insurer asserts that the Bond Insurance Policy is not in effect or the Insurer shall have provided written notice that it waives such rights.

Investment of Moneys in Funds and Accounts

All moneys in any of the funds or accounts established with the Trustee pursuant to the Indenture are required to be invested by the Trustee solely in Permitted Investments, as directed by either the Authority or the Agency filed with the Trustee at least two Business Days in advance of the making of such investments (and promptly confirmed in writing, as to any such direction given orally); provided that moneys in the Reserve Account shall be invested either in Permitted Investments maturing in not greater than five (5) years following the date of investment or in an investment agreement, approved by the Insurer, which permits withdrawal at any time for purposes of the Reserve Account. In the absence of any such direction from the Authority or the Agency, the Trustee is required to invest any such moneys in Permitted Investments described in clause (g) of the definition thereof.

Selected Covenants

The Indenture contains, among other covenants, the following selected covenants of the Authority:

Punctual Payment. The Authority shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in the Indenture.

Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under the Indenture while any of the Bonds are outstanding, except the pledge and assignment created by the Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Act, and reserves the right to issue other obligations for such purposes.

No Additional Obligations. The Authority covenants that no additional bonds, notes or other indebtedness shall be issued or incurred which are payable out of the Revenues in whole or in part.

Accounting Records and Financial Statement. The Trustee shall at all times keep, or cause to be kept, books of record and account, prepared in accordance with industry standards, in which entries shall be made of all transactions made by the Trustee relating to the proceeds of Bonds, the Revenues, the Loan Agreements and all funds and accounts established pursuant to the Indenture. Such books of record and account shall be available for inspection by the Authority, the Agency and the Insurer, during regular business hours with reasonable prior written notice. In addition, the Authority shall, and shall cause the Agencies to, transmit their respective annual audited financial statements with respect to the foregoing to the Insurer not later than 180 days following the end of the applicable Fiscal Year.

Loan Agreements. The Authority and an Agency may at any time amend or modify the Loan Agreements, but only if either (i) the Authority first obtains the written consent of the Insurer and of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding to such amendment or modification, or (ii) without the written consent of any of the Bonds Owners but with the written consent of the Insurer, if such amendment or modification is for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Agency contained in the Loan Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power therein reserved to or conferred upon the Agency so long as such limitation or surrender of such rights or powers shall not materially adversely affect the Owners of the Bonds; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Loan Agreement, or in any other respect whatsoever as the Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Bonds.

Continuing Disclosure. The Authority covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be an Event of Default under the Indenture. However, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including

seeking specific performance by court order, to cause the Authority to comply with its obligations pursuant to this covenant.

Further Assurances. The Authority will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in the Indenture.

Events of Default and Remedies

The following events constitute “Events of Default” under the Indenture:

(a) Default in the due and punctual payment of the principal amount of any Bond when and as the same shall become due and payable;

(b) Default by the Authority in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) Default by the Authority to observe and perform any of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, other than as referred to in the preceding clauses (a) and (b), for the period of 30 days after written notice thereof, specifying such default and requiring that it be remedied has been given to the Authority and the Insurer by the Trustee, or to the Authority and the Trustee by the Insurer or the Owners of not less than 25% in aggregate principal amount of the outstanding Bonds; provided, however, that such default shall not constitute an “Event of Default” under the Indenture if the Authority, with the written consent of the Insurer, commences to cure such default within said 30 day period and thereafter diligently and in good faith shall cure such within a reasonable period of time; and

(d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.

Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest on the outstanding Bonds, and to enforce the rights of the Trustee under or with respect to the Indenture.

If an Event of Default has occurred and is continuing and if requested so to do by the Insurer or by the owners of at least 25 % in aggregate principal amount of outstanding Bonds and indemnified as provided in the Indenture and the Insurer shall have provided its written consent, the Trustee is obligated to exercise such one or more of the rights and powers conferred by the Indenture, as the Trustee, being advised by counsel, deems most expedient in the interests of the Bond owners, or as directed by the Trustee and the Insurer.

No owner of any Bond has the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Indenture, unless (a) such owner has previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the owners of a majority of the aggregate principal amount of all the Bonds then outstanding have made written request upon the Trustee to exercise the powers granted the Trustee under the Indenture or to institute such action, suit or proceeding

in its own name; (c) said owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee has refused or omitted to comply with such request for a period of 30 days after such written request has been received by, and said tender of indemnity shall have been made to, the Trustee.

All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of the Indenture are required to be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid

First, to the payment of the fees, costs and expenses of the Trustee, including reasonable compensation to its agents, attorneys and counsel; and

Second, to the payment of the whole amount of interest on and principal of the Bonds then due and unpaid, with interest on overdue installments of principal and interest to the extent permitted by law at the rate of interest then borne by the outstanding Bonds; provided, however, that in the event such amounts are insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied in the following order or priority:

(a) first, to the payment of all installments of interest on the Bonds then due and unpaid, on a pro rata basis in the event that the available amounts are insufficient to pay all such interest in full,

(b) second, to the payment of principal of all installments of the Bonds then due and unpaid, on a pro rata basis in the event that the available amounts are insufficient to pay all such principal in full, and

(c) third, to the payment of interest on overdue installments of principal and interest, on a pro rata basis in the event that the available amounts are insufficient to pay all such interest in full.

Insurer Deemed Sole Owner

So long as the Insurer shall be in compliance with its payment obligations under the Bond Insurance Policy, the Insurer shall be deemed to be the sole owner of the Bonds for purposes of all provisions relating to an event of default with respect to the Bonds, except with respect to the giving of notice of such an event of default. The Insurer shall be included as a party in interest and as a party entitled to (1) notify the Trustee of the occurrence of an event of default and (2) request the Trustee to intervene in judicial proceedings that affect the Bonds or the security therefor. In addition, the provisions in the Indenture and in the Loan Agreements requiring the consent, approval or direction of the Insurer shall be applicable only at such time as the Insurer shall be in compliance with its payment obligations under the Bond Insurance Policy.

Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuation of an event of default, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted under the Indenture to the Bond Owners, or to the Trustee for the benefit of the Bond Owners, including, but not limited to rights and remedies which may be exercised pursuant to the Indenture following an event of default and, including, but not limited to the right to approve all waivers of any events of default. The rights granted to the Insurer under the Indenture shall be deemed terminated and shall not be exercisable by the Insurer during any period during which the Insurer shall be in default under the Bond Insurance Policy.

Amendment of the Indenture

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds may be modified or amended at any time by a supplemental indenture which shall become binding upon adoption, with the consent of the Insurer, but without the consent of any Owners of the Bonds, to the extent permitted by law and only for any one or more of the following purposes: (1) to add to the covenants and agreements of the Authority in the Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers reserved in the Indenture to or conferred upon the Authority so long as such limitation or surrender of such rights or powers shall not materially adversely affect the owners of the Bonds; or (2) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in any other respect whatsoever as the Authority may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the owners of the Bonds.

Except as set forth in the paragraph above, the Indenture and the rights and obligations of the Authority and of the holders of the Bonds may only be modified or amended at any time by a supplemental indenture which shall become binding when the written consent of the Insurer and of the owners of a majority in aggregate principal amount of the Bonds then outstanding are filed with the Trustee. No such modification or amendment shall (1) extend the maturity of or reduce the interest rate on any Bond, or otherwise alter or impair the obligation of the Authority to pay the principal and interest at the time and place and at the rate and in the currency provided therein of any Bond, without the express written consent of the holder of such Bond, (2) reduce the percentage of the principal amount of the Bonds required for the written consent to any such amendment or modification, or (3) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Discharge of Indenture

If the Authority pays and discharges any portion or all of the outstanding Bonds in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee, in trust in an escrow, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established with the Trustee pursuant to the Indenture and the Loan Agreements, is fully sufficient to pay such Bonds, including all principal and interest; or

(c) by irrevocably depositing with the Trustee or any other fiduciary, in trust in an escrow, Defeasance Obligations in such amount as an independent certified public accountant determines will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established with the Trustee pursuant to the Indenture and the Loan Agreements, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal and interest) at their respective maturity dates;

and notwithstanding that any of such Bonds shall not have been surrendered for payment, the pledge of the Revenues and other funds provided for in the Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under the Indenture with respect to all such Bonds, shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid all amounts required to be paid to the United States of America, as provided in the Indenture,

and all expenses and costs of the Trustee. Any funds held by the Trustee following any payment or discharge of all of the outstanding Bonds pursuant to the Indenture.

The Trustee

Wells Fargo Bank, National Association, Los Angeles, California, is appointed as Trustee under the Indenture for the purpose of receiving all money required to be deposited with the Trustee under the Indenture and to allocate, use and apply the same as provided in the Indenture. The Authority agrees that it will maintain a Trustee acceptable to the Insurer and having a corporate trust office in the State, with a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or State authority, so long as any of the Bonds are outstanding.

The Trustee is authorized by the Indenture to pay the principal of and interest on the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Trustee is to keep accurate records of all funds administered by it and of all Bonds paid and discharged.

Pursuant to the Loan Agreements, each Agency is obligated to pay the Trustee all of its reasonable fees for its services rendered under the Indenture and all advances, counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon the occurrence of an event of default under the Indenture, but only upon an event of default, the Trustee will have a first lien with right of payment prior to payment of any Bond upon the amounts held under the Indenture for the foregoing fees, charges and expenses incurred by it respectively.

The owners of a majority in aggregate principal amount of the outstanding Bonds may at any time, and the Authority may (and at the request of the Agencies shall), so long as no event of default shall have occurred and then be continuing, remove the Trustee, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee, whereupon the Authority or such owners, as the case may be, shall appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company meeting the requirements set forth in the Indenture. In addition, the Trustee and any successor Trustee may at any time give 30 days written notice of its intention to resign as Trustee under the Indenture, such notice to be given to the Authority and the Agencies by registered or certified mail. Upon receiving such notice of resignation, the Authority (with the written approval of the Agencies) shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. Upon such acceptance, the Authority shall cause notice thereof to be given by first class mail, postage prepaid, to the Bond owners at their respective addresses as set forth on the registration books.

SUMMARY OF THE LOAN AGREEMENTS

The following is a summary of certain provisions of the Loan Agreements. Except for variations required to take into account the various redevelopment agencies executing the Loan and the varying Loan amounts, as well as other minor variations, the Loan Agreements are substantially the same. This summary does not purport to be comprehensive or definitive and is subject to all the terms and provisions of the Loan Agreements, to which reference is hereby made and copies of which are available from the Authority and the Trustee.

Repayment of the Loan

In consideration for the making of the Loan, the Agency agrees under the Loan Agreements to repay its obligations under the Loan in installments of principal and interest which are due and payable by the Agency prior to each Interest Payment Date in an amount equal to the aggregate amount of the principal of and interest coming due and payable on the outstanding Bonds on such Interest Payment Date, together with other costs and expenses. Loan Payments are payable from any available moneys of the Agency. However, the Agency has not pledged tax increment revenues or other revenues to the repayment of the Loan. The obligation of the Agency to repay the Loan is subordinate to all existing and future obligations of the Agency.

No Optional Prepayment

An Agency does not have the right to prepay the Loan in whole or in part at any time.

Events of Default and Remedies

The following events constitute events of default under a Loan Agreement:

(a) Failure by the Agency to pay when due any amounts required to be paid hereunder;

(b) Any representation or warranty made by the Agency under the Loan Agreement shall prove to have been incorrect in any material respect when made;

(c) Failure by the Agency to observe and perform any of the covenants, agreements or conditions on its part contained in the Loan Agreement, other than as referred to in the preceding clauses (a) or (b), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Agency by the Trustee provided, however, that if in the reasonable opinion of the Agency the failure stated in such notice can be corrected, but not within such thirty (30) day period, the Trustee shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Agency within such thirty (30) day period and diligently pursued until such failure is corrected;

(d) The Agency commences a voluntary action under Title 11 of the United States Bankruptcy Code or any substitute or successor statute.

If a payment Event of Default has occurred and is continuing under the Loan Agreement, the Trustee may, or with the consent of the Bond Insurer and at the written direction of the Owners of a majority in aggregate principal amount of the Outstanding Bonds shall, (a) declare the principal of the Loan, together with the accrued interest on all unpaid installment payments thereof, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in the Loan Agreement to the contrary notwithstanding, and (b) exercise any other remedies available to the Trustee in law or at equity. Immediately upon becoming aware of the occurrence of an Event of Default with respect to the Loan, the Trustee shall give notice of such Event of Default to the Agency by telephone, telecopier or other telecommunication device, promptly confirmed in writing. This provision, however, is subject to the condition that if, at any time after the principal of the Loan shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Agency shall deposit with the Trustee a sum sufficient to pay all payments on the Loan matured prior to such declaration, with interest on such overdue payments at the rate then borne by the Outstanding Bonds, and the reasonable expenses of the Trustee (including but not limited to attorneys fees), and any and all other defaults known to the Trustee shall have been made good

or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of a majority in aggregate principal amount of the Outstanding Bonds may, by written notice to the Trustee and the Agency, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Application of Funds Upon Default

All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of the Loan Agreement are to be applied by the Trustee as provided in the Indenture

Amendment of the Loan Agreement

The Loan Agreement may be amended by the parties thereto but only under the circumstances set forth in, and in accordance with, the provision of the Indenture described herein under "SUMMARY OF THE INDENTURE - Amendment of the Loan Agreement."

Discharge of Loan Agreement

If the Agency pays and discharges the indebtedness evidenced by the Loan or any portion thereof in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the payments on the Loan or portion thereof, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee, in trust, at or before maturity, cash in an amount which, together with the available amounts then on deposit in any of the funds and accounts established pursuant to the Indenture or the Loan Agreement, is fully sufficient to pay all payments on the Loan or portion thereof; or

(c) by irrevocably depositing with the Trustee or any other fiduciary, in trust, Defeasance Obligations (as defined in the Indenture) in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and any available moneys then on deposit in the funds and accounts established pursuant to the applicable Indenture, be fully sufficient to pay all installment payments on the Loan, as and when the same become due and payable;

then, at the election of the Agency but only if all other amounts then due and payable under the Loan Agreement have been paid or provision for their payment made, the pledge of and lien upon the Tax Revenues and other funds provided for in the Loan Agreement and all other obligations of the Trustee, the Authority and the Agency under the Loan Agreement with respect to the Loan or with respect to the portion thereof so paid and discharged shall cease and terminate, except only the obligation of the Agency to pay or cause to be paid to the Trustee, from the amounts so deposited with the Trustee or such other fiduciary, all sums due with respect to the Loan and all expenses and costs of the Trustee and the Insurer. Notice of such election is to be filed with the Authority and the Trustee.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

April __, 2005

California Statewide Communities
Development Authority
1100 "K" Street, Suite 101
Sacramento, California 95814

OPINION: \$27,020,000 California Statewide Communities Development Authority
2005 Taxable Revenue Bonds, Series A (CRA/ERAF Loan Program)

Ladies and Gentlemen:

We have acted as bond counsel to the California Statewide Communities Development Authority, a joint powers authority organized and existing under the laws of the State of California (the "Authority"), in connection with the issuance by the Authority of \$27,020,000 aggregate principal amount of California Statewide Communities Development Authority 2005 Taxable Revenue Bonds, Series A (CRA/ERAF Loan Program) (the "Bonds"), pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and pursuant to an Indenture of Trust, dated as of April 1, 2005 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The Bonds have been issued by the Authority to provide funds to make loans to certain California redevelopment agencies (an "Agency") pursuant to Loan Agreements (the "Loan Agreements"), each dated as of April 1, 2005, and each by and between the Authority and the applicable Agency. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Authority contained in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Authority is a joint powers authority duly organized and validly existing under the laws of the State of California with the full power to enter into the Indenture and the Loan Agreements and to issue the Bonds.

2. The Indenture and the Loan Agreements have been duly approved by the Authority and constitute valid and binding special obligations of the Authority enforceable against the Authority in accordance with their terms.

3. The Indenture creates a valid lien on and pledge of the Revenues (as such term is defined in the Indenture) and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture, subject to no prior lien granted under the Act.

4. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding special obligations of the Authority, payable solely from the sources provided therefor in the Indenture.

5. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Loan Agreements may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

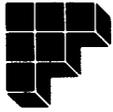
Respectfully submitted,

A Professional Law Corporation

APPENDIX D

MUNICIPAL BOND INSURANCE POLICY

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**FINANCIAL
SECURITY
ASSURANCE®**

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS:

Effective Date:

Premium:

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), 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 Financial Security, 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 Financial Security shall have received Notice of Nonpayment, Financial Security 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 Financial Security, 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 Financial Security. 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 Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security 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, Financial Security 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 Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security 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 Financial Security 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

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 Financial Security 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.

Financial Security 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 Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security 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 Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security 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 Financial Security 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 Financial Security, 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, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

[Countersignature]

FINANCIAL SECURITY ASSURANCE INC.

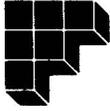
By _____

By _____
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
350 Park Avenue, New York, N.Y. 10022-6022

(212) 826-0100

Form 500NY (5/90)



**FINANCIAL
SECURITY
ASSURANCE®**

**ENDORSEMENT NO. 1 TO
MUNICIPAL BOND
INSURANCE POLICY
(California Insurance
Guaranty Association)**

ISSUER:

Policy No.:

BONDS:

Effective Date:

Notwithstanding the terms and provisions contained in this Policy, it is further understood that the insurance provided by this Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 14.2 (commencing with Section 1063) of Chapter 1 of Part 2 of Division 1 of the California Insurance Code.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Endorsement to be executed on its behalf by its Authorized Officer.

FINANCIAL SECURITY ASSURANCE INC.

By: _____
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
350 Park Avenue, New York, N.Y. 10022-6022

(212) 826-0100

Form 560NY (CA 1/91)

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the California Statewide Communities Development Authority (the “Authority”) and Wells Fargo Bank, National Association (the “Trustee”) in connection with the issuance by the Authority of its California Statewide Communities Development Authority 2005 Taxable Revenue Bonds, Series A (CRA/ERAF Loan Program) (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust dated as of April 1, 2005, between the Authority, as Issuer (the “Issuer”) and the Trustee (the “Indenture”). The proceeds of the Bonds are being used by the Issuer to finance certain ERAF Payments (the “ERAF Payments”) to be made by each redevelopment agency (each an “Agency”) receiving a loan (each a “Loan”) pursuant to a Loan Agreement, dated as of April 1, 2005 (each a “Loan Agreement”), by and between the Authority and the Agency. Pursuant to Section 5.08 of the Indenture, the Authority and the Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Authority and the Trustee for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined below). The Authority and the Trustee acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Agreement, and has no liability to any person, including any Holder or Beneficial Owner of the Bonds, with respect to the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Disclosure Representative” shall mean any Member of the Authority or his or her designee, or such other person as the Authority shall designate in writing to the Trustee from time to time.

“Dissemination Agent” shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Trustee a written acceptance of such designation.

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

“National Repository” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories approved by the Securities and Exchange Commission from time to time are listed at <http://www.sec.gov/info/municipal/nrmsir.htm>.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean each National Repository and each State Repository.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

“State Repository” shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than December 31 for the twelve-month period ending the prior June 30, commencing with the Annual Report for the twelve month period ending June 30, 2005, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement. Submission of Annual Reports to DisclosureUSA.org or another “Central Post Office” designated and accepted by the Securities and Exchange Commission shall constitute compliance with this filing requirement.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repositories, the Authority shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Authority and the Dissemination Agent to determine if the Authority 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 Repositories by the date required in subsection (a), the Trustee shall send a notice to each Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the final date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) file a report with the Authority, the Issuer and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

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

1. A statement of the amounts on deposit in the Reserve Fund, or a statement that the Authority has substituted a surety bond or other form of credit enhancement in lieu of all or a portion of the Reserve Requirement.

2. Updated information relating to each of the Sponsoring Communities in substantially the form set forth in the first table under each section in Appendix A to the Official Statement called “Assessed Valuation and Property Taxes”.

3. Updated information in substantially the form set forth in the table called “Coverage Ratios” on page A-1 of the Official Statement; provided that the amount in the column called

“Agency’s Maximum Annual CRA/ERAFLoan Payment” shall be updated to include for each Agency any other borrowings by such Agency secured by a reallocation of property taxes pursuant to Section 33681.15 of the California Health and Safety Code.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Authority is an “obligated person” (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Authority shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events (the “Listed Events”) with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
 2. non-payment related defaults;
 3. modifications to rights of Bondholders;
 4. optional, contingent or unscheduled bond calls;
 5. defeasances;
 6. rating changes;
 7. adverse tax opinions or events affecting the tax-exempt status of the Bonds;
 8. unscheduled draws on debt service reserves reflecting financial difficulties;
 9. unscheduled draws on credit enhancements reflecting financial difficulties;
- and
10. Substitution of credit or liquidity providers, or their failure to perform; and
 11. Release, substitution or sale of property securing repayment of the Bonds.

12. The occurrence of any “material event” relating to an Agency within the meaning of such term in Rule 15c2-12 of the Security and Exchange Commission, provided that notice of such event has been provided to the Authority by the applicable Agency pursuant to Section 3.03(b) of the Loan Agreement.

(b) The Trustee shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the Authority promptly notify the Trustee in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Authority obtains knowledge of the occurrence of a Listed Event, because of a notice from the Trustee pursuant to subsection (b) or otherwise, the Authority shall as soon as possible, upon consultation with counsel selected by the Authority, determine if such event would be material under applicable federal securities laws.

(d) If the Authority has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Authority 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 Authority determines that the Listed Event would not be material under applicable federal securities laws, the Authority shall so notify the Trustee in writing and instruct the Trustee not to report the occurrence pursuant to subsection (f).

(f) If the Trustee has been instructed by the Authority to report the occurrence of a Listed Event, the Trustee shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository with a copy to the Authority. Submission of Annual Reports to DisclosureUSA.org or another “Central Post Office” designated and accepted by the Securities and Exchange Commission shall constitute compliance with this filing requirement. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Indenture.

SECTION 6. Termination of Reporting Obligation. The Authority’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Authority’s obligations under the Bonds are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Authority and the original Authority shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f).

SECTION 7. Dissemination Agent. The Authority 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 Authority 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 the Trustee.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Authority) 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 Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of the Trustee or 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 Authority 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 Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority 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 Authority 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 Authority shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Authority or the Trustee to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall), or 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 Authority or the Trustee, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VI of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent 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 set forth in Exhibit B hereto.

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Authority, the Trustee, the Dissemination Agent, the Participating Underwriters, and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any 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: _____

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By _____
Member

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

Name of Bond Issue: CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY 2005 TAXABLE REVENUE
BONDS, SERIES A (CRA/ERAF LOAN PROGRAM)

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the California Statewide Communities Development Authority (the "Authority") has not provided an Annual Report with respect to the above-named Bonds as required by Section 5.08 of the Indenture dated as of April 1, 2005 between the Authority and the Trustee. The Authority anticipates that the Annual Report will be filed by _____.

Dated: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION
on behalf of Authority

cc: Authority

EXHIBIT B

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

To the Authority: California Statewide Communities Development Authority
1100 K Street
Sacramento, CA 95814
Attention: Secretary

To the Trustee: Wells Fargo Bank, National Association
707 Wilshire Boulevard, 17th Floor
Los Angeles, CA 90017
Attention: Corporate Trust

APPENDIX F

BOOK-ENTRY SYSTEM

The information in this Appendix H concerning The Depository Trust Company (“DTC”), New York, New York, and DTC’s book-entry system has been obtained from DTC and neither the Authority nor the Participant Agencies take responsibility for the completeness or accuracy thereof. Neither the Authority nor the Participant Agencies can and does give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (respectively, “NSCC”, “GSCC”, “MBSCC”, and “EMCC”, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of

the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest evidenced by the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee, the Participant Agencies or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest evidenced by the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NONE OF THE AUTHORITY, THE PARTICIPANT AGENCIES OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF BONDS FOR PREPAYMENT.

None of the Authority, the Participant Agencies or the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

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

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

In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply. The foregoing information concerning DTC concerning and DTC's book-entry system has been provided by DTC, and none of the Authority, the Participant Agencies or the Trustee take any responsibility for the accuracy thereof.

None of the Authority, the Participant Agencies or the Underwriters can and does give any assurances that DTC, the Participants or others will distribute payments of principal and interest evidenced by the Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. None of the Authority, the Participant Agencies or the Underwriters are responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or an error or delay relating thereto.

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