EXHIBIT B

ENGINEER'S REPORT
FOR
GEOLOGIC HAZARD ABATEMENT DISTRICT 1998-01
WIEDEMANN RANCH
FOR THE
ESTABLISHMENT OF AN ASSESSMENT

I. INTRODUCTION

This Engineer's Report provides the justification and rationale for the proposed assessment for the Wiedemann Ranch Geologic Hazard Abatement District ("GHAD"). The Engineer's Report has been prepared by a registered professional engineer certified by the State of California and as such, it complies with the requirements of Section 4(b) of Article XIID of the California Constitution.

The GHAD is located in the Wiedemann Ranch. The Ranch is a 1,143 acre area in Contra Costa County that has received the following approvals for phased development of 371 residential parcels (together the "Wiedemann Ranch Project"): on December 8, 1992, the County Board of Supervisors ("Board of Supervisors") approved (1) Rezoning No. 2947-R2 which rezoned portions of the project site from SL to P-1, (2) Preliminary Development Plan No. 3005-01, (3) Vesting Tentative Subdivision Map Nos. 7575 and 7578 which provides for the subdivision of the project site into 371 residential lots and all related on-site and off-site infrastructure improvements and services subject to conditions of approval, (4) tentative cancellation of Williamson Act contracts (Nos. 5-76 and 16-70), and (5) exceptions to certain development standards set forth in the Subdivision Ordinance and Zoning Code.

The GHAD was formed in 1998 in accordance with the Public Resources Code of the State of California, Division 17, Section 26500 et seq. This report is to establish the assessment for the operation of the District.

Pursuant to Section 26509, the Wiedemann Ranch Plan of Control ("Plan of Control"), attached as Exhibit 1, was prepared by an engineering geologist certified pursuant to Section 7822 of the Business and Professions Code and describes in detail the geologic hazards, their location, who is affected by them, and provides a plan for the prevention, mitigation, abatement, or control thereof. As used in the Plan of Control, and as provided in Section 26507, "geologic hazard" means an actual or threatened landslide, land subsidence, soil erosion, earthquake, fault movement, or any other natural or unnatural movement of land or earth.

The GHAD boundary is as shown on Figure 1 of the Plan of Control and as described in Exhibit A of the Plan of Control.

II. SPECIAL BENEFITS

Those parcels shown within the boundary shown on Figure 1 and Figure 2 of the Plan of Control will receive a particular and distinct benefit in the form of GHAD facilities and services which are over and above the general benefits received by the general public. Specifically, the GHAD will (a) evaluate the performance of the natural and excavated slopes, the surface drainage and ditches to prevent certain geologic hazards within the GHAD, (b) may perform certain temporary and permanent mitigation, repairs and improvement measures to control geologic hazards within the GHAD, and (c) maintain improvements, including debris benches, drainage systems including V-ditches, public storm drain inlets and outlets, subdrains, and surface drains; instruments such as piezometers settlement monuments and inclinometers, and dewatering pumps, if required. The special benefits are more fully set forth in the Plan of Control.

The special benefit derived from the GHAD is proportionate to the entire costs of the GHAD, and the amount of the assessment is proportional to, and no greater than, the reasonable cost of the special benefits conferred on each parcel.

III. SPECIALLY BENEFITED PARCELS

The specially benefited parcels are those parcels within the boundary shown on Figure 1 and Figure 2 of the Plan of Control.

IV. ASSESSMENT METHOD AND TOTAL ASSESSMENT

The performance of the services and the maintenance of the improvements described in Section II will be performed with similar intensity throughout the GHAD. Performance of these services and maintenance of these improvements provide a special benefit to all residential property within the GHAD. All residential properties within the District receive approximately equal special benefit from the performance of services and maintenance of improvements within the GHAD. As a result, the GHAD assessment is distributed equally among all residential property owners within the GHAD.

The total assessment chargeable to all the specially-benefited parcels within the GHAD in each year is equal to the total cost of providing the GHAD services in the identified fiscal year plus a reserve amount. The total assessment is based on the projected budget, attached as Exhibit 2. The amount shall be adjusted annually to reflect the percentage change in the Consumer Price Index (CPI) over the previous twelve-month period.

A reserve is budgeted because the monitoring and maintenance costs do not include the repair of any large-scale soil slumps, landslides, erosion or blockage. The occurrence of such events is rare. If such events occur, they are expected to coincide with periods of extremely high rainfall. Historic rainfall data conservatively indicate that such periods occur approximately once every 10 years. The actual cost to repair a soil slump, erosion or blockage depends on the magnitude

of such events. The reserve amount is based upon soil slumps, landslides, erosion or blockage of medium magnitude.

The GHAD also has the power under the State of California Public Resources Code to raise bonds for the purpose of paying the costs of GHAD improvements, and to accept financial assistance, including loans, in order to accomplish any purpose of the GHAD statute. Should the GHAD arrange such financing, each parcel will be assessed a proportionate amount to reimburse these financial sources.

V. ASSESSMENT PER PARCEL

Each parcel on which an assessment is levied will be assessed $550 per year, plus an annual adjustment to reflect the change in CPI from the previous year. (The automatic CPI adjustment to the assessment is justified because it will correct the assessment to reflect changes in actual costs of operating the GHAD.) The assessment will be levied in perpetuity.

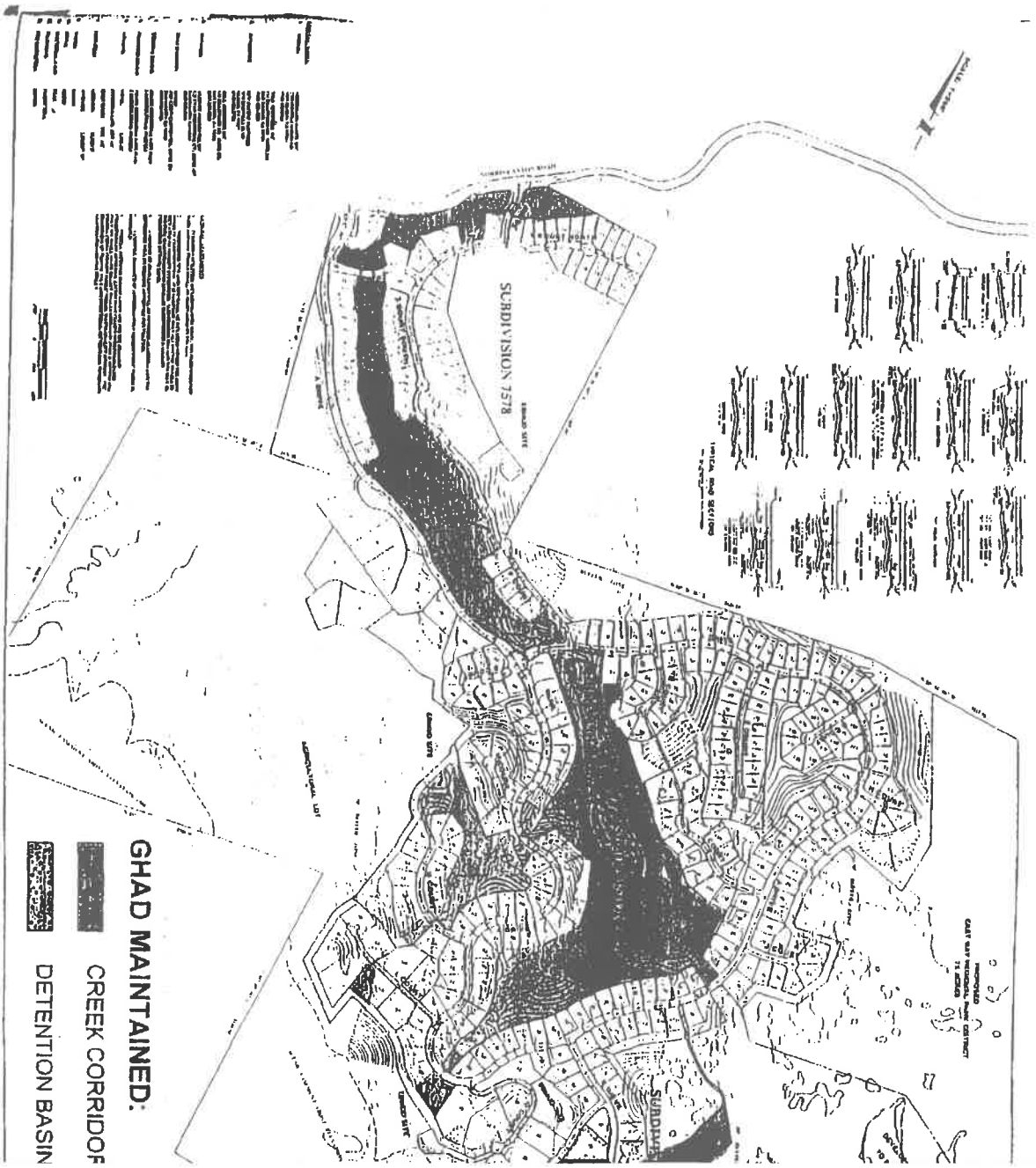
SUBDIVISION 7578
GHAD MAINTAINED:
CREEK CORRIDOR
DETENTION BASIN

Exhibit A

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EXHIBIT 2

Estimated Budget for the Geologic Hazard Abatement District
Wiedemann Ranch
Contra Costa County, California

ASSUMPTIONS

Total No. of Units	365
Annual Assessment per Unit	$550
Tota Non-Residential Building Area (s	0
Annual Assessment per non-res sq. fo	$0.00
Annual Increase in Assessment	3.0%
Inflation	3.0%
Investment Earnings	6.0%
Initial Seed Fund	$200,000

YEAR	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cumulative No. of Units	75	151	211	271	331	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
A. INCOME																				
Assessment	41,250	85,542	123,117	162,871	204,899	232,724	239,706	246,897	254,304	261,933	269,791	277,885	286,221	294,808	303,652	312,762	322,145	331,809	341,763	352,016
B. PROJECTED EXPENSES																				
1. Administration and Accounting	5,000	5,000	5,000	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,258	14,685	15,126	15,580	16,047	16,528	17,024	17,535	18,061	18,603
County Fees	307	376	435	498	565	611	630	649	668	688	709	730	752	775	798	822	846	872	898	925
2. Outside Consultants				28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	38,949	40,118	41,321	42,561	43,838	45,153	46,507
3. Maintenance & Operation				21,518	27,071	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	38,949	40,118	41,321	42,561	43,838	45,153	46,507
4. Slope Stabilization				21,518	27,071	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	38,949	40,118	41,321	42,561	43,838	45,153	46,507
5. Erosion Protection				43,036	54,141	61,494	63,339	65,239	67,198	69,212	71,288	73,427	75,629	77,898	80,235	82,642	85,122	87,675	90,306	93,015
6. Repair*										652,387										876,753
SUBTOTAL - EXPENSES	5,307	5,376	5,435	127,145	150,639	166,644	171,644	176,793	182,097	839,946	193,187	198,982	204,952	211,100	217,433	223,956	230,675	237,595	244,723	1,128,818
RESERVE	235,943	80,166	117,682	35,726	54,260	66,080	68,062	70,104	72,207	(578,013)	76,605	78,903	81,270	83,708	86,219	88,806	91,470	94,214	97,041	(778,801)
EARNINGS	14,157	15,006	20,716	29,020	32,905	38,135	44,386	51,135	58,409	66,246	35,540	42,269	49,539	57,388	65,853	74,978	84,805	95,381	106,757	118,985
CUMULATIVE RESERVE	250,100	345,271	483,670	548,416	635,581	739,796	852,246	973,485	1,104,101	592,334	704,479	825,650	956,459	1,097,555	1,249,627	1,413,411	1,589,685	1,779,281	1,983,078	1,325,262

* Based on a large-scale repair of every 10 years in 1999 dollars: $500,000

ALL BUILD-OUT ANNUAL EXPENSES IN 1999 DOLLARS

1. Administration and Accounting	10,000	
2 Outside Consultants	25,000	
3. Maintenance & Operation	25,000	
4. Slope Stabilization	25,000	
5. Erosion Protection	50,000	(incl $25,000 for general creek bank maintenance)
TOTAL	135,000	

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ASSUMPTIONS

Total No. of Units	
Annual Assessment per Unit	
Tota Non-Residential Building Area (s	
Annual Assessment per non-res sq. fo	
Annual Increase in Assessment	
Inflation	
Investment Earnings	
Initial Seed Fund	

YEAR	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Cumulative No. of Units	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
A. INCOME																				
Assessment	362,577	373,454	384,658	396,197	408,083	420,328	432,936	445,924	459,301	473,081	487,273	501,891	516,948	532,456	548,430	564,883	581,829	599,284	617,263	635,781
B. PROJECTED EXPENSES																				
1. Administration and Accounting	19,161	19,736	20,328	20,938	21,566	22,213	22,879	23,566	24,273	25,001	25,751	26,523	27,319	28,139	28,983	29,852	30,748	31,670	32,620	33,599
County Fees	953	981	1,011	1,041	1,072	1,104	1,137	1,172	1,207	1,243	1,280	1,319	1,358	1,399	1,441	1,484	1,529	1,574	1,622	1,670
2. Outside Consultants	47,903	49,340	50,820	52,344	53,915	55,532	57,198	58,914	60,682	62,502	64,377	66,308	68,298	70,347	72,457	74,631	76,870	79,176	81,551	83,997
3. Maintenance & Operation	47,903	49,340	50,820	52,344	53,915	55,532	57,198	58,914	60,682	62,502	64,377	66,308	68,298	70,347	72,457	74,631	76,870	79,176	81,551	83,997
4. Slope Stabilization	47,903	49,340	50,820	52,344	53,915	55,532	57,198	58,914	60,682	62,502	64,377	66,308	68,298	70,347	72,457	74,631	76,870	79,176	81,551	83,997
5. Erosion Protection	95,805	98,679	101,640	104,689	107,830	111,064	114,396	117,828	121,363	125,004	128,754	132,617	136,595	140,693	144,914	149,261	153,739	158,351	163,102	167,995
6. Repair*										1,178,283										1,583,513
SUBTOTAL - EXPENSES	259,627	267,415	275,438	283,701	292,212	300,978	310,008	319,308	328,887	1,517,036	348,916	359,394	370,165	381,270	392,708	404,490	416,624	429,123	441,997	2,038,770
RESERVE	102,950	106,039	109,220	112,497	115,872	119,348	122,928	126,616	130,414	(1,043,956)	138,357	142,507	146,783	151,186	155,722	160,393	165,205	170,161	175,266	(1,402,989)
EARNINGS	79,516	90,464	102,254	114,942	128,589	143,256	159,012	175,929	194,082	213,551	163,727	181,852	201,314	222,199	244,602	268,622	294,363	321,937	351,463	383,066
CUMULATIVE RESERVE	1,507,728	1,704,230	1,916,704	2,143,143	2,387,603	2,650,207	2,932,147	3,234,892	3,559,188	2,728,783	3,030,867	3,355,226	3,703,322	4,076,707	4,477,031	4,906,047	5,365,614	5,857,712	6,384,441	5,364,518
																			1999 Dollars	$1,693,866

* Based on a large-scale repair of :
every 10 years in 1999 dollars

ALL BUILD-OUT ANNUAL EXPENS

1. Administration and Accounting
2. Outside Consultants
3. Maintenance & Operation
4. Slope Stabilization
5. Erosion Protection

TOTAL

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