



Municipal Securities Group

*Response to Request for Statement of Qualifications
and Proposals to Serve as Underwriter for:*



**Santa Clara County Tobacco Settlement
Asset-Backed Bonds**

Due: November 14, 2006



UBS Investment Bank is a business group of UBS AG.
UBS Securities LLC is a subsidiary of UBS AG.

Municipal Securities Group

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November 14, 2006

Mr. John Guthrie
Director
Santa Clara County
70 West Hedding Street
East Wing, Second Floor
San Jose, CA 95110

Dear Mr. Guthrie:

UBS is pleased to submit this Statement of Qualifications and Proposals to Serve as Underwriter for the Santa Clara County Tobacco Settlement Asset-Backed Bonds. As you and your staff review this submission, we hope you will come to share our view that UBS is uniquely qualified to serve as a lead manager for this program. Of particular note:

- ✓ UBS is the "Number Two" ranked underwriter of negotiated senior managed tobacco securitizations since November 2001 when ranked by the number of transactions, having senior managed 22 tobacco securitizations nationwide during this time period (Source: SDC). We are fully confident that our ongoing structuring, trading and pricing activities, combined with our capital and distribution arms, afford us excellent capabilities to price the County's proposed financing.
- ✓ UBS is a leading market maker for tobacco bonds in California and nationally, having traded over \$3.8 billion since 2005. Our continuous presence in the tobacco bond marketplace affords us excellent insight into the pricing of these securities and the needs and perspectives of investors in these securities, both large and small.
- ✓ UBS has consistently demonstrated an ability to push the rating agencies' envelopes in tobacco securitization transactions. We have a successful track record of negotiating with the rating agencies to achieve more favorable treatment for our clients, and are prepared to employ similar strategies to help the County achieve its objectives. For example, we persuaded Moody's to accept more flexible structural features for Rhode Island, which increased proceeds by 7%; Moody's adopted our approach for subsequent tobacco securitizations.

We would greatly appreciate the opportunity to work with the County. UBS pledges all resources necessary to successfully execute the proposed tobacco securitization financing on the County's aggressive timetable.

Thank you for considering UBS.

Sincerely,

Mark Adler
Managing Director
(213) 253-5403Jeffrey Hyman
Managing Director
(212) 713-9356cc: Dave Elledge, County of Santa Clara
Paul Knofler, County of Santa Clara
Louis Chiamonte, County of Santa Clara
David Leifer, KNN Public Finance
Dave Olson, KNN Public Finance
Mark Li, KNN Public Finance



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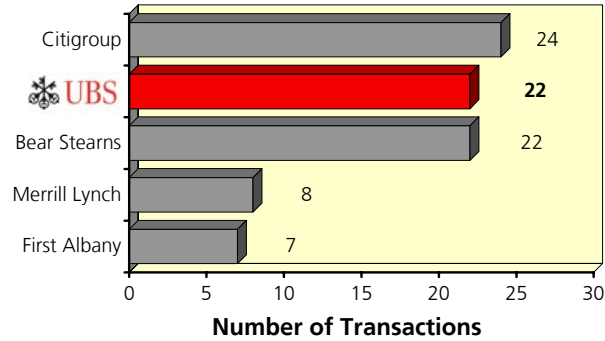


1. Experience.

UBS' EXPERIENCE

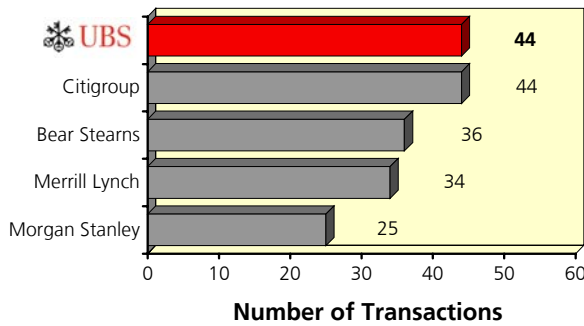
UBS is a national leader in Tobacco Settlement Revenue ("TSR") securitization transactions. As illustrated in the chart to the right, UBS is the "Number Two" ranked underwriter of TSR-secured bonds over the last five years, having senior managed 22 securitizations with a total par amount of \$1.6 billion. Over this same timeframe, UBS has been involved either as a senior manager, co-senior manager, or co-manager in 44 securitizations totaling more than \$25 billion. In fact, as illustrated by the chart to the lower left, UBS is the "Number One" ranked firm in terms of participation as a manager. Our firm has worked with a wide array of TSR recipients since the inception of the tobacco bond securitization market. In total, we have worked with 36 unique TSR recipients, making UBS the "Number Two" ranked senior manager in terms of unique TSR-backed bond issuers (as illustrated by the chart to the lower right). As requested, please find a detailed listing of UBS' tobacco securitization financing experience in the Appendix.

Senior Managed TSR Securitizations 11/3/2001 to Present



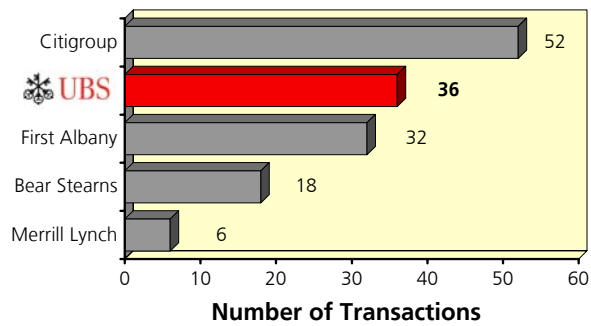
Note: Full Credit to Senior Manager. Negotiated financings only. Source: Securities Data Company. As of 11/14/2006.

Senior & Co-Managed TSR Securitizations 11/3/2001 to Present



Note: Full Credit to Each Manager. Negotiated financings only. Source: Securities Data Company. As of 11/14/2006.

Senior Managed TSR Securitizations by Number of Unique TSR Recipients (11/1/1999 to Present)



Note: Full Credit to Senior Manager. Negotiated financings only. Source: Securities Data Company. As of 11/14/2006.

2. Staffing.

UBS offers the County significant relevant expertise in tobacco securitization financings. Unlike other firms focused on tobacco securitization issues, UBS' lead tobacco banker for California issuers is based in California.

Mr. Mark Adler, a Managing Director and Manager of the Los Angeles office, will serve as the primary contact and lead banker for the County. Mr. Adler has focused on this sector since 2001 and personally has served as the lead banker for every California County tobacco issue senior managed by UBS. As a member of our departmental Executive Committee, he is also Manager of the Bank's Municipal Securities activity in California and the Western States. Mr. Jeff Hyman, a ten year veteran of California public finance, will serve as co-lead banker for the County. Mr. Hyman formerly was based in San Francisco, and relocated to our New York office in 2003 to head UBS' national tobacco practice. He has been involved in all of the Bank's efforts in the sector since 1999. Mr. Hyman brings both a California and national tobacco expertise to the UBS team and is regarded as one of the foremost experts in this field. Mr. Jeffrey Bower, a Managing Director also based in our Los Angeles office, will serve as the lead County relationship banker for the proposed financing. Mr. Bower has over 18 years of experience in California public finance.



Santa Clara County Tobacco Settlement Asset-Backed Bonds

As the County is expected to price/deliver prior to any other TSR securitizations, UBS believes that timing conflicts will not be an issue. Additionally, UBS has strategically aligned its tobacco securitization practice with Mark Adler serving as lead banker, and Dave Taylor serving as lead quantitative specialist for all California County tobacco transactions. Jeff Hyman, as head of the Bank's national tobacco securitization practice, and Spencer Coker, manager of the Bank's Quantitative and Financial Products group, are responsible for all other tobacco securitizations.

Core Investment Banking Team	
<p>MARK ADLER Managing Director and Manager, Los Angeles Office</p> <p>(213) 253-5403 (213) 253-5401 (fax) mark.adler@ubs.com</p>	<p>Role: Primary Contact and Lead Banker – Direct responsibility for coordinating the County's proposed financing and lead day-to-day banker.</p> <p>Experience: Mr. Adler has completed over 750 tax-exempt and taxable municipal financings. He also has been involved with numerous tobacco securitization issues for a variety of municipal issuers and is recognized in the industry as the most experienced in California County tobacco securitization financings. His experience in structuring TSRs includes multiple issues for counties such as Fresno, Kern, Stanislaus, Sonoma and Merced.</p> <p>Background: BS-Wharton (University of Pennsylvania), MBA-Wharton (University of Pennsylvania). 23 years in public finance.</p>
<p>JEFFREY HYMAN Managing Director New York, NY</p> <p>(212) 713-9356 (212) 649-8248 fax jeffrey.hyman@ubs.com</p>	<p>Role: Co-Lead Banker and TSR Securitization Specialist – Responsible for structuring and providing financing strategies for the County's proposed tobacco securitization financing.</p> <p>Related Experience: Mr. Hyman is responsible for UBS' national tobacco securitization practice. He has been involved in all of the Bank's efforts in this area and is recognized as one of the industry's leading experts. Recently, he was a featured speaker on tobacco securitizations at the National Association of State Treasurers' Conference. Mr. Hyman spent 1994-2003 as a California public finance banker, before relocating to New York to lead the Bank's national tobacco efforts.</p> <p>Background: BA-University of St. Thomas (MN), JD-Wisconsin. 12 years in public finance.</p>
<p>JEFFREY BOWER Managing Director Los Angeles</p> <p>(213) 253-5404 (213) 253-5401 (fax) jeffrey.bower@ubs.com</p>	<p>Role: County Relationship Banker – Responsible for managing all execution efforts related to the County's proposed securitization.</p> <p>Experience: Mr. Bower has worked with a number of California cities and counties including the counties of Los Angeles, Sacramento, San Bernardino and San Diego, and the Cities of San Jose, Santa Clara, Sacramento, Pasadena, Beverly Hills, Riverside, Anaheim and Long Beach. His credentials include a co-managed role in Sacramento's 2005 Tobacco securitization financing.</p> <p>Background: BS-Dartmouth, MBA-UCLA. 18 years in public finance.</p>
<p>DAVID TAYLOR Executive Director Los Angeles</p> <p>(213) 253-5414 (213) 253-5401 (fax) david.taylor@ubs.com</p>	<p>Role: Quantitative Support– Responsible for managing all quantitative analysis related to the County's proposed securitization.</p> <p>Experience: Mr. Taylor manages UBS' quantitative efforts for issuers in the western states, and personally has provided quantitative analyses for over \$30 billion of senior managed municipal financings including general fund obligations, utility issues, and various securitization structures. He has spent much of his municipal career in UBS' New York office, but has been based in Los Angeles since 2005. Mr. Taylor is a member of the Firm's Quantitative and Financial Products group which developed the UBS proprietary tobacco securitization optimization model that has been used for all UBS senior managed tobacco issuances since 2005. Mr. Taylor's clients include the City of New York, the State of California, and a variety of western electric utilities including SCPPA, SMUD and NCPA.</p> <p>Background: BCS-St. Andrews University. 23 years in public finance.</p>

We also have assembled the following underwriting and credit professionals to assist the County with its proposed securitization. **Mr. John Feery**, a Managing Director in our New York office, will serve as lead underwriter. He has managed all of the TSR securitizations priced by UBS. **Mr. Brad Gewehr**, the Director of UBS' Municipal Credit Analysis and Strategy Group, and previously a Senior Managing Director at Moody's, will be available to assist with rating agency efforts as well as with ongoing policy and credit issues for the County.

Underwriting and Credit Analysis	
<p>JOHN FEERY Managing Director New York</p> <p>(212) 713-4692 (212) 713-1302 (fax) john.feery@ubs.com</p>	<p>Role: Senior Tobacco Underwriter – Responsible for underwriting the County's proposed securitization financing.</p> <p>Related Experience: Mr. Feery is UBS' lead underwriter for most high profile municipal financings and has been responsible for pricing all of the Bank's tobacco securitization financings, including recent pricings for Sonoma County, Merced County, and Fresno County.</p> <p>Background: BS-Providence College. 20 years in municipal underwriting.</p>
<p>BRAD GEWEHR Managing Director and Director of Municipal Credit Analysis & Strategy Group New York</p> <p>(212) 713-3267 (212) 373-6491 (fax) brad.gewehr@ubs.com</p>	<p>Role: Credit Strategies – Responsible for assisting the County in developing credit analysis and rating agency strategies for the proposed financing.</p> <p>Experience: While serving as the Managing Director at Moody's, Mr. Gewehr supervised a staff of analysts responsible for assigning and maintaining ratings on municipal tax-backed, utility revenue, and lease credits in 26 states. Mr. Gewehr is a frequent publisher analyzing the tobacco industry and is frequently consulted by institutional investors on his views of this market.</p> <p>Background: MBA–New York University, BA–Amherst College. 24 years in public finance.</p>



3. *Underwriting Capabilities.*

MARKETING STRATEGY

An efficient marketing approach is necessary to successfully meet the County’s proposed aggressive timeline. With that in mind, UBS created the following marketing strategy to deliver maximum proceeds to the County:

- ✓ *Investor Survey:* Early in the process, UBS would use its multi-channel sales force to survey the potential tobacco investor base. Ultimately, this will determine the current market structural and rating preferences for capital appreciation bonds (CABs), and convertible CABs (if any).
- ✓ *Investor Base:* After developing a preliminary financing structure, we will contact potential investors. Due to the complexities and risks involved in tobacco transactions, retail investors play a minimal role in the primary market for tobacco debt (this is especially true with regard to CABs and Convertible CABs). Not only is retail participation minimal, many institutions refrain from investing as well. UBS would thus focus on institutional investors, initially contacting the tobacco bondholders of other California counties.

This marketing strategy proved extremely successful for Sonoma County in October 2005. The County’s largest investor, Rochester Funds, was willing to purchase a majority of the County’s proposed financing – but only at yields higher than the current market. Accordingly, UBS offered the bonds to non-holders of the County’s bonds, increasing competition among buyers, and achieving lower spreads overall. The table to the right includes large institutional holders of CABs/Convertible CABs. UBS will proactively market to these investors to garner interest in the County’s proposed financing.

Institutional CAB/Convertible CAB Buyers	
■ Rochester	■ Blackrock
■ Van Kampen	■ Goldman Sachs Asset Mgmt.
■ Columbia	■ Nuveen

Source: Bloomberg.

- ✓ *Publications:* Providing the municipal sales force with updated credit information is critical in securing a broad investor base. Brad Gewehr, Director of UBS’ municipal Credit Analysis and Strategy Group, has tracked this sector since its inception and has published frequent reports that are available to the entire UBS sales force.

UBS’ PRICING PERFORMANCE

A prime example of UBS’ superior pricing performance is Sonoma County’s 2005 tobacco securitization financing. As illustrated below, the securitization financing for the State of Iowa and Sacramento County, which came to market around the same time, required higher spreads to “AAA” MMD to gain the participation of the major funds (e.g., Rochester and Franklin Funds). Each of those deals utilized a more traditional marketing approach of securing “anchor” orders in the hope of generating follow through participation by other investors to complete the transaction. For both Sonoma and Merced counties, UBS took an alternative approach. By not requiring “anchor” orders to establish the initial pricing, UBS ultimately achieved tighter spreads to “AAA” MMD. In fact, the Sonoma and Merced transactions were the first significant tobacco offerings to be marketed successfully *without* the participation of either Franklin or Rochester.

Stated Maturity Spread to AAA MMD*

Maturity	Sonoma (UBS)		Iowa (Citigroup)		Sacramento (Bear Stearns)	
	Par (\$ in mm)	Spread	Par (\$ in mm)	Spread	Par (\$ in mm)	Spread
2021	\$14.835	0.44%	N/A	N/A	\$45.825	0.75%
2026	9.920	0.79	N/A	N/A	N/A	N/A
2038	31.045	0.83	\$103.475	1.18%	87.290	0.93
2042	N/A	N/A	135.120	1.26	N/A	N/A
2045	27.260	0.93	N/A	N/A	86.570	1.06
2046	N/A	N/A	174.130	1.30	N/A	N/A



Expected Average Life Spread to AAA MMD*

Maturity	Sonoma (UBS)		Iowa (Citigroup)		Sacramento (Bear Stearns)	
	Par (\$ in mm)	Spread	Par (\$ in mm)	Spread	Par (\$ in mm)	Spread
2021	\$ 14.835	1.21%	N/A	N/A	\$ 45.825	1.44%
2026	9.920	1.27	N/A	N/A	N/A	N/A
2038	31.045	1.28	\$ 103.475	1.58%	87.290	1.37
2042	N/A	N/A	135.120	1.59	N/A	N/A
2045	27.260	1.18	N/A	N/A	86.570	1.28
2046	N/A	N/A	174.130	1.51	N/A	N/A

* As of the day of pricing; Sonoma = 10/20/05, Iowa = 11/17/05, Sacramento = 12/01/05.
 Note: Sonoma bonds rated BBB by S&P. Iowa bonds rated Baa3 and BBB by Moody's and S&P, respectively. Sacramento bonds rated Baa3 and BBB by Moody's and S&P, respectively.

4. Additional Information.

UBS' EXPERTISE

As a market leader in the field of tobacco securitization, UBS consistently has been a catalyst for change in the tobacco sector and has leveraged that position to deliver better net proceeds performance than our competitors. For this reason, tobacco securitizations structured by UBS have been among the *most leveraged* transactions in the sector. This is mostly attributable to the strategic focus we placed on rating agency stress criteria beginning in 2002.

For example, in mid-2002, UBS' tobacco securitization team challenged the restrictive criteria of the three rating agencies at a time when the rest of the industry, in large measure, was passively accepting stress criteria and structuring securitizations to meet the lowest common denominator. UBS analyzed, re-engineered, and fundamentally changed the underpinning criteria for mainstream ratings when it first dropped Moody's in conjunction with Kern County's transaction. After Moody's agreed to fine-tune its stress test for the Kern County securitization, UBS presented similar reasoning related to the State of Rhode Island TSR securitization. As a result, Moody's decided to permanently ease its stress tests. UBS' innovative approach to the ratings aspect of tobacco securitization **allowed issuers net proceeds to increase by more than 7%** over the results from the prevailing three-rating strategy.

In 2005, UBS sold three separate issues benefiting Merced and Sonoma Counties, which were the first stand-alone issues for California counties in almost three years. Because of different population dynamics (Merced County is growing fast whereas Sonoma County is losing population share), UBS engineered a custom rating approach for each County. Sonoma County sold with just a S&P rating and Merced County sold with Moody's and Fitch ratings. Prior to the Merced County transaction, Moody's had been excluded from all tobacco transactions since the 2005 Virginia TSR Securitization. Though others viewed Moody's as obsolete, UBS brought them back to the sector and worked with them to modernize their criteria. **As a result, each County was able to realize over 30% more in net proceeds because of rating agency optimization strategies.**

In 2006, Fitch announced that issuers could choose either the old or new stress methodology to structure 'BB'-rated CABs. Fitch's intent was that the new methodology provide some benefit to the issuer by giving credit to TSRs beyond the 40-year window (2046 at the time). UBS analyzed this new stress methodology and found that it offered no benefit to the municipal issuer at all. In fact, it would have resulted in significantly lower proceeds. **UBS shared its findings with Fitch within 24 hours of their press release. Fitch confirmed our analysis and worked with our tobacco securitization bankers to devise a new stress test methodology.** The UBS tobacco team's analysis transformed the new criteria from a 1% net loss into a 7% net gain proposition.

As highlighted below, UBS' status as an innovator is not limited to rating strategies.

UBS' Notable Tobacco Firsts

- ✓ **1st** Pioneered selective rating agency strategy to create most efficient, leveraged California county issues (refundings for Sonoma County and Merced County)
- ✓ **1st** Re-introduction of Moody's ratings to the sector in 2005



UBS' Notable Tobacco Firsts

- ✓ **1st** Use of "soft" sinking fund payments for extra leverage (Rockland County, NY)
- ✓ **1st** Engaged for a tobacco securitization refunding (State of South Carolina)
- ✓ **1st** Pooled TSR-backed deal (New York Counties Tobacco Trust I)
- ✓ **1st** Reduction in size of required operating expense budget (Stanislaus County, 75% lower)
- ✓ **1st** Significant unsold balances underwritten in sector (State of Rhode Island, Kern County)
- ✓ **1st** Subsumption of TSRs into another revenue based credit (University of Hawaii)
- ✓ **1st** In fastest execution, appointment to closing in less than six weeks (State of Rhode Island)

5. *References.*

Client Reference	Type of Financings
County of Merced Mr. Jim Brown <i>Assistant County Executive Officer</i> 2222 M Street Merced, CA 95340 T: (209) 385-7538 jbrown@co.merced.ca.us	<ul style="list-style-type: none"> ■ Tobacco Settlement Asset-Backed Bonds, Series 2002A and 2002B (Merced County Tobacco Funding Corporation) ■ Tobacco Settlement Asset-Backed Refunding Bonds, Series 2005A and 2005B (Merced County Tobacco Funding Corporation)
County of Sonoma Mr. Rod Dole <i>Auditor-Controller</i> County Admin. Center 585 Fiscal Drive, Room 101F Santa Rosa, CA 95403-2871 T: (707) 565-3287 rdole@sonoma-county.org	<ul style="list-style-type: none"> ■ Tobacco Settlement Asset-Backed Bonds (Sonoma County Securitization Corporation), Series 2002A and 2002B ■ Tobacco Settlement Asset-Backed Refunding Bonds (Sonoma County Securitization Corporation), Series 2005

6. *Fee Proposal.*

UBS proposes the following compensation for a \$100 million issuance of CABs or Convertible CABs. Please note, UBS proposes \$30,000 for Underwriter's Counsel Fees. This assumes Disclosure Counsel will prepare the Official Statement.

Gross Spread Component	Total \$	\$/Bond
Management Fee	\$0.00	\$0.000
Expenses (detailed below)	21,270.44	0.213
Underwriter's Counsel Fee	30,000.00	0.300
Average Takedown	500,000.00	5.000
Gross Spread	\$551,270.44	\$5.513

Expense Component	Total \$	\$ / Bond
UBS Out-of-Pocket	\$5,000.00	\$0.050
CUSIP	571.00	0.006
BMA Special Assessment	3,000.00	0.030
CA PSA	1,000.00	0.010
CDIAC	3,000.00	0.030
Municipal Syndicate Services	7,720.00	0.077
Interest on Day Loan	694.44	0.007
DTC Charges	285.00	0.003
Total	\$21,270.44	\$0.213

If retained by the County to serve as senior manager for its upcoming transaction, UBS proposes to retain one of the following firms for Underwriter's Counsel: 1) Orrick, Herrington & Sutcliffe, LLP, 2) Hawkins Delafield & Wood LLP, 3) Sidley Austin LLP, or 4) Nixon Peabody LLP.



**Appendix:
UBS' Tobacco Securitization Experience**



Santa Clara County Tobacco Settlement Asset-Backed Bonds

UBS' Senior Managed Tobacco Securitization Experience (Transactions Including CABs)

Sale Date	Issuer Name	State	Par (\$ in Mills)	Final Maturity	Ratings (by Series)	Assigned Personnel	Role of UBS
04/12/06	California CTSA (Fresno)	CA	\$39.015	06/01/55	NR/NR/BBB (2006A) NR/NR/BBB- (2006B) NR/NR/BB (2006C) NR/NR/NR (2006D)	Adler, Hyman	Sole

Source: Securities Data Company. As of 11/14/2006.

UBS' Senior Managed Tobacco Securitization Experience (Transactions Excluding CABs)

Sale Date	Issuer Name	State	Par (\$ in Mills)	Final Maturity	Ratings (by Series)	Assigned Personnel	Role of UBS
09/28/06	University of Hawaii	HI	\$133.810	07/15/32	Aaa/AAA/AAA (Insured) Aa3/A+/A+ (Underlying)	Lauterbur, Hyman	Sole
10/21/05	California CTSA (Merced)	CA	37.490	06/01/45	Baa3/NR/BBB	Adler, Hyman	Sole
10/21/05	California CTSA (Merced) Taxable	CA	2.200	06/01/18	Baa3/NR/BBB	Adler, Hyman	Sole
10/21/05	California CTSA (Sonoma)	CA	83.060	06/01/45	NR/BBB/NR	Adler, Hyman	Sole
11/20/03	NY Tobacco Settlement Fin Corp	NY	70.000	06/01/23	NR/AAA/AAA (Insured) NR/AA-/A+ (Underlying)	Hyman	Sole
06/12/03	NY Tobacco Settlement Fin Corp	NY	55.000	06/01/23	NR/AAA/AAA (Insured) NR/AA-/A+ (Underlying)	Hyman	Sole
07/11/02	California CTSA (Fresno)	CA	92.955	06/01/38	A1/A/NR	Adler, Hyman	Lead
06/20/02	RI Tobacco Settlement Fin Corp	RI	35.660	06/01/12	A1/A/A+	Hyman	Lead
06/20/02	RI Tobacco Settlement Fin Corp	RI	649.730	06/01/42	A1/A/A+	Hyman	Lead
06/13/02	University of Hawaii	HI	150.000	07/15/32	Aaa/AAA/AAA (Insured) Aa3/A+/A+ (Underlying)	Lauterbur, Hyman	Lead
05/10/02	California CTSA (Kern) Taxable	CA	7.400	06/01/15	NR/A/A+	Adler, Hyman	Sole
05/10/02	California CTSA (Kern)	CA	40.960	06/01/43	NR/A/A+	Adler, Hyman	Sole
05/10/02	California CTSA (Kern)	CA	56.885	06/01/37	NR/A/A+	Adler, Hyman	Sole
04/10/02	California CTSA (Sonoma)	CA	30.005	06/01/30	A1/NR/A+	Adler, Hyman	Sole
04/09/02	California CTSA (Sonoma)	CA	37.405	06/01/43	A1/NR/A+	Adler, Hyman	Sole
03/21/02	California CTSA (Stanislaus) Taxable	CA	8.090	06/01/19	A1/NR/A+	Adler, Hyman	Lead
03/21/02	California CTSA (Stanislaus)	CA	59.215	06/01/43	A1/NR/A+	Adler, Hyman	Lead
03/21/02	California CTSA (Merced) Taxable	CA	3.740	06/01/18	A1/NR/A+	Adler, Hyman	Sole
03/21/02	California CTSA (Merced)	CA	26.775	06/01/43	A1/NR/A+	Adler, Hyman	Sole
12/14/01	Rockland Tobacco Asset Sec Corp	NY	47.750	08/15/43	A1/A/NR	Hyman	Lead
12/14/01	Rensselaer Tobacco Asset Sec Corp	NY	17.277	06/01/43	A1/A/NR	Hyman	Lead
07/20/01	NYCTT II	NY	215.220	06/01/43	A1/A/A+	Hyman	Lead
11/10/00	NYCTT I	NY	113.565	06/01/42	A1/A/NR	Hyman	Lead
23 Financings Totalling:			\$1,974.192				

Source: Securities Data Company. As of 11/14/2006.

UBS' Senior Managed California County Tobacco Securitization Experience

Sale Date	Issuer Name	State	Par (\$ in Mills)	Final Maturity	Ratings (by Series)	Assigned Personnel	Role of UBS
04/06/06	California CTSA (Fresno)	CA	\$39.015	06/01/55	NR/NR/BBB (2006A) NR/NR/BBB- (2006B) NR/NR/BB (2006C) NR/NR/NR (2006D)	Adler, Hyman	Sole
10/21/05	California CTSA (Merced)	CA	37.490	06/01/45	Baa3/NR/BBB	Adler, Hyman	Sole
10/21/05	California CTSA (Merced) Taxable	CA	2.200	06/01/18	Baa3/NR/BBB	Adler, Hyman	Sole
10/21/05	California CTSA (Sonoma)	CA	83.060	06/01/45	NR/BBB/NR	Adler, Hyman	Sole
07/11/02	California CTSA (Fresno)	CA	92.955	06/01/38	A1/A/NR	Adler, Hyman	Lead
05/10/02	California CTSA (Kern) Taxable	CA	7.400	06/01/15	NR/A/A+	Adler, Hyman	Sole
05/10/02	California CTSA (Kern)	CA	40.960	06/01/43	NR/A/A+	Adler, Hyman	Sole
05/10/02	California CTSA (Kern)	CA	56.885	06/01/37	NR/A/A+	Adler, Hyman	Sole
04/10/02	California CTSA (Sonoma)	CA	30.005	06/01/30	A1/NR/A+	Adler, Hyman	Sole
04/09/02	California CTSA (Sonoma)	CA	37.405	06/01/43	A1/NR/A+	Adler, Hyman	Sole
03/21/02	California CTSA (Merced) Taxable	CA	3.740	06/01/18	A1/NR/A+	Adler, Hyman	Sole
03/21/02	California CTSA (Merced)	CA	26.775	06/01/43	A1/NR/A+	Adler, Hyman	Sole
03/21/02	California CTSA (Stanislaus) Taxable	CA	8.090	06/01/19	A1/NR/A+	Adler, Hyman	Lead
03/21/02	California CTSA (Stanislaus)	CA	59.215	06/01/43	A1/NR/A+	Adler, Hyman	Lead
14 Financings Totalling:			\$525.195				

Source: Securities Data Company. As of 11/14/2006.



Santa Clara County Tobacco Settlement Asset-Backed Bonds

UBS' Non-Senior Managed Tobacco Securitization Experience

Sale Date	Issuer Name	State	Par (\$ in Mills)	Final Maturity	Ratings (by Series)	Assigned Personnel	Role of UBS
08/11/06	Northern Tobacco Sec Corp	AK	\$411.988	06/01/46	Baa3/NR/BBB (2006A) NR/NR/BBB (2006B) NR/NR/BBB- (2006C)	Hyman	Co-Mgr
02/03/06	TSASC, Inc.	NY	1,353.510	06/01/42	NR/BBB/BBB	Hyman	Co-Mgr
02/03/06	California CTSA (Los Angeles)	CA	319.827	06/01/46	Baa3/NR/BBB (2006A) NR/NR/BBB- (2006B) NR/NR/BB (2006C)	Adler, Hyman, Lauterbur	Co-Senior
12/02/05	TSA of Northern California (Sacramento)	CA	255.486	06/01/45	Baa3/BBB/NR (2005A-1&2) NR/NR/BBB- (2005B) NR/NR/BB (2005C)	Adler, Hyman, Bower	Co-Mgr
11/18/05	Iowa Tobacco Settlement Authority	IA	222.910	06/01/23	Baa3/BBB/NR	Hyman	Co-Mgr
11/18/05	Iowa Tobacco Settlement Authority	IA	609.052	06/01/46	Baa3/BBB/NR (2005B&C) NR/BBB-/NR (2005D) NR/NR/NR (2005E)	Hyman	Co-Mgr
07/28/05	Golden State Tobacco Sec Corp	CA	3,140.563	06/01/45	Aaa/AAA/AAA (Insured) A3/A-/A- (Underlying)	Adler, Fisher, Hyman	Co-Mgr
05/13/05	Virginia Tobacco Settl. Fin Corp	VA	448.260	06/01/37	Ba3/BBB/BBB	Hyman	Co-Senior
11/20/03	NY Tobacco Settlement Fin Corp	NY	2,015.415	06/01/22	NR/AAA/AAA (Insured) NR/AA-/A+ (2003B1) NR /AA- /A+ (2003B1-C)	Hyman	Co-Senior
09/25/03	Golden State Tobacco Sec Corp	CA	2,572.285	06/01/43	Aaa/AAA/AAA (Insured) Baa1/BBB-/A- (Underlying)	Adler, Fisher, Hyman	Co-Senior
06/12/03	NY Tobacco Settlement Fin Corp	NY	296.265	06/01/12	Aaa/AAA/NR (Insured) NR/AA-/A+ (Underlying)	Hyman	Co-Mgr
06/12/03	NY Tobacco Settlement Fin Corp	NY	1,796.940	06/01/22	Aaa/AAA/NR (Insured) NR/AA-/A+ (Underlying)	Hyman	Co-Mgr
04/10/03	Oregon Dept of Admin Services	OR	431.560	09/01/13	Aaa/AAA/AAA (Insured) A1/AA-/A (Underlying)	Fisher, Hyman	Co-Mgr
02/27/03	NJ Tobacco Settlement Fin Corp	NJ	1,659.170	06/01/43	A1/A/A+	Hyman	Co-Senior
01/16/03	Golden State Tobacco Sec Corp	CA	375.000	06/01/42	A1/A/A+	Adler, Fisher, Hyman	Co-Senior
01/16/03	Golden State Tobacco Sec Corp	CA	2,625.000	06/01/40	A1/A/A+	Adler, Fisher, Hyman	Co-Senior
10/25/02	Washington Tobacco Settl. Auth.	WA	517.905	06/01/32	A1/A/NR	Hyman	Co-Mgr
10/03/02	Puerto Rico Children's Trust Fund	PR	1,171.200	05/15/43	A1/A/A+	Hyman	Co-Senior
08/15/02	NJ Tobacco Settlement Fin Corp	NJ	1,801.455	06/01/42	A1/A/A+	Hyman	Co-Mgr
08/01/02	TSASC, Inc.	NY	500.000	07/15/32	Aa1/AA-/A+	Hyman	Co-Mgr
05/02/02	Badger Tobacco Asset Sec Corp	WI	1,591.095	06/01/32	A1/A/A+	Hyman	Co-Mgr
12/14/01	Rensselaer Tobacco Asset Sec Corp	NY	17.278	06/01/43	A1/A/NR	Hyman	Co-Senior
11/01/01	LA Tobacco Settlement Fin Corp	LA	282.975	05/15/25	Aa3/AA+	Hyman	Co-Mgr
11/01/01	LA Tobacco Settlement Fin Corp	LA	919.795	05/15/39	A1/A/A+	Hyman	Co-Mgr
06/08/01	Guam Economic Dev Auth	GU	13.494	05/15/41	A2/NR/NR	Hyman	Co-Mgr
05/24/01	Guam Economic Dev Auth	GU	11.983	05/15/31	A2/NR/NR	Hyman	Co-Mgr
03/09/01	SC Tobacco Settlement Mgmt Auth	SC	200.000	05/15/16	Aa3/AA+	Hyman	Co-Mgr
03/09/01	SC Tobacco Settlement Mgmt Auth	SC	734.530	05/15/30	A1/A/A+	Hyman	Co-Mgr
03/05/01	DC Tobacco Settlement Fin Corp	DC	521.105	05/15/40	A1/A/A+	Hyman	Co-Mgr
11/10/00	NYCTT I	NY	113.565	06/01/42	A1/A/A+	Hyman	Co-Senior
10/26/00	Puerto Rico Childrens Trust Fund	PR	198.502	07/01/26	Aa3/AA-/A+	Hyman	Co-Mgr
10/26/00	Puerto Rico Childrens Trust Fund	PR	198.503	07/01/26	Aa3/AA-/A+	Hyman	Co-Mgr
09/22/00	Erie Tobacco Asset Sec Corp	NY	246.325	07/15/40	Aa3/AA+ (2000A) Baa2/BBB/BBB+ (2000B)	Hyman	Co-Mgr
11/11/99	Nassau Co Tobacco Settlement	NY	294.500	07/15/39	A1/A+/A+	Hyman	Co-Mgr
11/05/99	TSASC Inc	NY	709.280	07/15/39	Aa1/AA-/A+	Hyman	Co-Mgr
35 Financings Totalling:			\$28,576.721				

Source: Securities Data Company. As of 11/14/2006.