

*In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described more fully herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. In the further opinion of Bond Counsel, interest on Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein.*

**\$3,830,000**

**THE CITY OF SAN DIEGO  
ASSESSMENT DISTRICT NO. 4096 (PIPER RANCH)  
LIMITED OBLIGATION REFUNDING BONDS**

**Dated: Date of Delivery**

**Due: September 2, as shown inside cover**

The City of San Diego Assessment District No. 4096 (Piper Ranch) Limited Obligation Refunding Bonds (the “Bonds”) are limited obligations of The City of San Diego (the “City”) secured by special reassessments to be levied on real property located within the City of San Diego Assessment District No. 4096 (Piper Ranch) (the “Assessment District”). The Bonds are being issued to defease and to pay at maturity and redeem on September 2, 2013 the City’s Assessment District No. 4096 (Piper Ranch) Limited Obligation Improvement Bonds originally issued on January 14, 2004 (the “2004 Bonds”). The proceeds of the 2004 Bonds were used to acquire certain public improvements within the Assessment District.

The Bonds are being issued pursuant to provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds (Division 11.5 of the Streets and Highways Code of California) (the “1984 Act”) and an Indenture dated as of June 1, 2013 (the “Indenture”) by and between the City and Union Bank, N.A., as Trustee (the “Trustee”). The Bonds are issuable in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Individual purchases of ownership interests in the Bonds may be made in principal amounts of \$5,000 and integral multiples thereof in book-entry form only. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but are expected to receive credit balances on the books of their respective nominees. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein. Interest on the Bonds will be payable on March 2, 2014 and semiannually thereafter on each March 2 and September 2. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants, who are to remit such payments to the beneficial owners of the Bonds. See “THE BONDS — General” and APPENDIX F — “BOOK-ENTRY ONLY SYSTEM” herein.

The Bonds are special obligations of the City payable solely from revenues derived from installments of Reassessments (as defined herein), together with interest thereon (together, the “Reassessment Installments”), to be levied on and collected from the owners of 21 parcels within the Assessment District. Under the provisions of the Act, Reassessment Installments sufficient to meet annual Bond debt service will be levied by the City and billed by the County of San Diego (the “County”) to owners of property within the Assessment District against which there are unpaid Reassessments. Upon receipt by the City from the County, these annual Reassessment Installments are to be forwarded to the Trustee for deposit first into the Reassessment Fund and from that fund to the Redemption Fund (each such fund to be held by the Trustee) and used to pay debt service on the Bonds as it becomes due.

**Unpaid Reassessment Installments constitute liens on the lots and parcels assessed within the Assessment District and do not constitute a personal indebtedness of the respective owners of such lots and parcels. Accordingly, in the event of a delinquency, proceedings may be had only against the real property securing the delinquent Reassessment Installment. Thus, the value of the parcels within the Assessment District is a critical factor in determining the investment quality of the Bonds. See “THE ASSESSMENT DISTRICT — Description” and “SPECIAL RISK FACTORS — Property Values” herein.**

The Trustee will establish a Reserve Fund and deposit therein Bond proceeds in the amount of the Reserve Requirement (as defined herein) to provide funds for payment of principal and interest on the Bonds in the event of any delinquent Reassessment Installments. The City’s obligation to advance funds to the Redemption Fund as a result of delinquent installments is limited to the balance in the Reserve Fund. The City will covenant in the Indenture to initiate judicial foreclosure in the event of a delinquency as described herein. See “SECURITY FOR THE BONDS — Covenant to Foreclose and Judicial Foreclosure Proceedings.”

The Bonds are subject to optional redemption and extraordinary mandatory redemption from prepayments of Reassessments as set forth herein. See “THE BONDS — Redemption of Bonds” herein.

**NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE INDENTURE.**

*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, including, without limitation, “Special Risk Factors,” to obtain information essential to the making of an informed investment decision.*

*The Bonds are offered when, as and if issued and delivered to the Underwriters subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel and Disclosure Counsel. Certain matters will be passed upon for the City by the City Attorney and for the Underwriters by their counsel, Nossaman LLP, Irvine, California. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about July 2, 2013.*



**STIFEL**

**\$3,830,000**  
**THE CITY OF SAN DIEGO**  
**ASSESSMENT DISTRICT NO. 4096 (PIPER RANCH)**  
**LIMITED OBLIGATION REFUNDING BONDS**

**MATURITY SCHEDULE**

| <i><b>Maturity Date<br/>(September 2)</b></i> | <i><b>Principal Amount</b></i> | <i><b>Interest Rate</b></i> | <i><b>Yield</b></i> | <i><b>CUSIP<sup>†</sup></b></i> |
|---|--------------------------------|-----------------------------|---------------------|---------------------------------|
| 2014  | \$80,000                       | 5.000%                      | 1.000%              | 797283 ST6                      |
| 2015  | 125,000                        | 4.000                       | 1.350               | 797283 SU3                      |
| 2016  | 135,000                        | 4.000                       | 1.900               | 797283 SV1                      |
| 2017  | 135,000                        | 4.000                       | 2.580               | 797283 SW9                      |
| 2018  | 140,000                        | 5.000                       | 3.060               | 797283 SX7                      |
| 2019  | 150,000                        | 5.000                       | 3.180*              | 797283 SY5                      |
| 2020  | 155,000                        | 5.000                       | 3.300*              | 797283 SZ2                      |
| 2021  | 165,000                        | 5.000                       | 3.580*              | 797283 TA6                      |
| 2022  | 170,000                        | 5.000                       | 3.790*              | 797283 TB4                      |
| 2023  | 180,000                        | 5.000                       | 3.930*              | 797283 TC2                      |
| 2024  | 190,000                        | 5.000                       | 4.120*              | 797283 TD0                      |
| 2025  | 195,000                        | 5.000                       | 4.310*              | 797283 TE8                      |
| 2026  | 210,000                        | 5.125                       | 4.440*              | 797283TF5                       |
| 2027  | 220,000                        | 5.125                       | 4.610*              | 797283TG3                       |
| 2028  | 230,000                        | 5.250                       | 4.720*              | 797283 TH1                      |
| 2029  | 245,000                        | 5.375                       | 4.820*              | 797283 TJ7                      |
| 2030  | 255,000                        | 5.375                       | 4.900*              | 797283 TK4                      |
| 2031  | 265,000                        | 5.500                       | 4.960*              | 797283 TL2                      |
| 2032  | 285,000                        | 5.500                       | 5.020*              | 797283 TM0                      |
| 2033  | 300,000                        | 6.000                       | 5.000**             | 797283 TN8                      |

<sup>†</sup> Copyright 2013, American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The City takes no responsibility for the accuracy of such data.

\* Yield to optional redemption date of September 2, 2018, at par.

\*\* Yield to optional redemption date of September 2, 2023, at par.

**THE CITY OF SAN DIEGO**

**MAYOR**

Bob Filner

**CITY COUNCIL**

Sherri S. Lightner (*District 1*)      Mark Kersey (*District 5*)  
Kevin Faulconer (*District 2*)      Lorie Zapf (*District 6*)  
Todd Gloria (*District 3*)      Scott Sherman (*District 7*)  
Myrtle Cole (*District 4*)      David Alvarez (*District 8*)  
Marti Emerald (*District 9*)

**CITY OFFICIALS**

Scott Chadwick, *Interim Chief Operating Officer*  
Greg Bych, *Interim Chief Financial Officer*  
Jan I. Goldsmith, *City Attorney*  
Gail R. Granewich, *City Treasurer*  
Eduardo Luna, *City Auditor*  
Kenton C. Whitfield, *City Comptroller*  
Elizabeth Maland, *City Clerk*

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**BOND COUNSEL AND DISCLOSURE COUNSEL**

Stradling Yocca Carlson & Rauth,  
a Professional Corporation  
Newport Beach, California

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**TRUSTEE**

Union Bank, N.A.  
Los Angeles, California

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**REASSESSMENT ENGINEER**

NBS  
Temecula, California

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**FINANCIAL ADVISOR**

Fieldman, Rolapp & Associates  
Irvine, California

No dealer, broker, salesperson or other person has been authorized by the City, the Trustee or the Underwriters to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Trustee or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, 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 fact. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board.

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 information in APPENDIX F — “BOOK-ENTRY ONLY SYSTEM” attached hereto has been furnished by The Depository Trust Company, and no representation has been made by the City, the Trustee or the Underwriters as to the accuracy or completeness of such information.

The information set forth herein which has been obtained by the City from third party sources is believed to be reliable but is not guaranteed as to accuracy or completeness by the City or the Trustee. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the development status or value of the property within the Assessment District, the owners of such property, or any other parties described herein since the date hereof. All summaries of the Indenture or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

A wide variety of other information, including information concerning the Assessment District and the property therein, is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of or incorporated into this Official Statement.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption “THE ASSESSMENT DISTRICT.” 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. Except as set forth in the Continuing Disclosure Certificate, a form of which is attached as Appendix E, the City does not plan to issue any updates or revisions to the forward-looking statements set forth in this Official Statement.

**IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH 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 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.**

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**\$3,830,000**  
**THE CITY OF SAN DIEGO**  
**ASSESSMENT DISTRICT NO. 4096 (PIPER RANCH)**  
**LIMITED OBLIGATION REFUNDING BONDS**

**INTRODUCTION**

**General**

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the appendices, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of the Bonds (defined below) to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in APPENDIX C — “SUMMARY OF THE INDENTURE — Definitions.”

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by The City of San Diego (the “City”) of the \$3,830,000 The City of San Diego Assessment District No. 4096 (Piper Ranch) Limited Obligation Refunding Bonds (the “Bonds”). The proceeds of the Bonds, together with certain funds held in connection with the 2004 Bonds (as defined below), will be used to defease and to pay at maturity and redeem on September 2, 2013 all of the City’s outstanding Assessment District No. 4096 (Piper Ranch) Limited Obligation Improvement Bonds (the “2004 Bonds”), originally issued on or about January 14, 2004 in the aggregate principal amount of \$5,430,000 and now outstanding in the principal amount of \$3,940,000. A portion of the proceeds of the Bonds will be used to fund a deposit to the Reserve Fund for the Bonds and to pay the costs of issuing the Bonds. See “THE REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The Bonds are to be issued under the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of California (the “1984 Act”), and pursuant to an Indenture by and between the City and Union Bank, N.A. (the “Trustee”), dated as of June 1, 2013 (the “Indenture”). The Bonds are secured under the Indenture by a pledge of the Reassessment Installments (as defined therein) and all moneys on deposit in the Reassessment Fund, the Redemption Fund and the Reserve Fund established pursuant to the Indenture. See “SECURITY FOR THE BONDS.”

**Forward Looking Statements**

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the caption “THE ASSESSMENT DISTRICT.”

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. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR

## REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

### **The Assessment District**

The City's Assessment District No. 4096 (Piper Ranch) (the "Assessment District") encompasses approximately 59.6 net assessable acres developed as a light manufacturing industrial park known as Piper Ranch Business Park. It is located north of Otay Mesa Road between Interstate 805 and the South Bay Expressway (State Route 125), at the northwest corner of Piper Ranch Road and Otay Mesa Road in the Otay Mesa community of the City, approximately one-half mile east of Brown Field Municipal Airport ("Brown Field"). See "THE ASSESSMENT DISTRICT — Description."

Proceedings for the formation of the Assessment District were taken by the City Council of the City pursuant to the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code (the "1913 Act") in order to assist in providing certain street, sewer and storm drain improvements (collectively, the "Improvements") of special benefit to the parcels located within the boundaries of the Assessment District. At the time of its formation, the Assessment District encompassed 24 parcels. The City Council confirmed on each of those parcels an assessment (individually an "Assessment" and collectively the "Assessments") proportionate to the benefit received by it from the Improvements. Subsequent to the formation of the Assessment District, certain of the original parcels have been consolidated with other parcels, some of the parcels have been reconfigured and some of the Assessments have been prepaid with the result that the Assessment District now includes 21 parcels that are subject to Reassessments. More detailed information with respect to these 21 parcels is set forth below under the caption "THE ASSESSMENT DISTRICT."

In order to provide the funds with which to construct the Improvements, the City issued the 2004 Bonds in an aggregate principal amount of \$5,430,000 on January 14, 2004.

### **Reassessments**

The Bonds are being issued in order to reduce the amount of annual Assessment installments and interest thereon to be paid by the owner of each parcel assessed. To accomplish this reduction, the City has conducted proceedings to reassess the parcels in the Assessment District, and the resulting reassessments (exclusive of any portion thereof levied to pay Administrative Expenses (as defined below)) are referred to herein as the "Reassessments." Each Reassessment supersedes and supplants the Assessment originally confirmed upon the applicable parcel. The Bonds are secured by the Reassessments, together with interest thereon, which are to be collected annually on the County of San Diego secured tax roll on which general *ad valorem* taxes are collected by the County of San Diego (the "County"). The Reassessments, together with interest thereon, constitute a trust fund to be used to pay the principal of and interest on the Bonds as the same became due and payable. See SECURITY FOR THE BONDS — Reassessment Liens and Installments."

### **Property Values and Value-to-Reassessment Lien Ratios**

The aggregate assessed value of the parcels that are subject to Reassessments, as shown in the County of San Diego Assessor's roll for fiscal year 2012-13, is \$ 65,171,009. The ratio of the assessed value of such parcels to the total amount of the Reassessments is approximately 17.02 to 1 and including other overlapping tax and assessment debt is 9.39 to 1. See Tables 2 and 3 under the caption "THE ASSESSMENT DISTRICT" for a listing of each parcel with a Reassessment, the assessed value of each parcel and the assessed value-to-lien ratio for each parcel and Table 6 under the heading "Direct and Overlapping Tax and Assessment Indebtedness."



## **No Additional Bonds**

The City is not authorized to issue additional bonds (other than the Bonds or any refunding bonds) secured by the Reassessment Installments.

## **Tax Matters**

In the opinion of Bond Counsel, under existing laws, regulations, rulings and court decisions, the interest (and original issue discount) on the Bonds is exempt from personal income taxes of the State of California and, assuming compliance with certain covenants set forth in the Indenture described herein, is excludable from gross income of the owners of the Bonds for federal income tax purposes and is not included as a specific preference item for purposes of the federal alternative minimum tax. Set forth in Appendix D is the opinion of Bond Counsel expected to be delivered in connection with the issuance of the Bonds. For a more complete discussion of such opinion and the tax consequences incident to the ownership of the Bonds, including certain exceptions to the tax treatment of interest, see “CONCLUDING INFORMATION — Tax Matters” herein.

## **Professionals Involved in the Offering**

Union Bank, N.A., Los Angeles, California will act as Trustee under the Indenture. The legal proceedings in connection with the authorization and issuance of the Bonds are subject to the approval as to their legality of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed on for the City by the City Attorney and for the Underwriters by their counsel, Nossaman LLP, Irvine, California. Fieldman, Rolapp & Associates, Irvine California, serves as the City’s Financial Advisor; and NBS, Temecula, California prepared the Reassessment Report setting forth the Reassessments for each parcel within the Assessment District (the “Reassessment Report”).

For information concerning financial or other interest which certain of the above-mentioned professionals, advisors, counsel and agents may have in the offering of the Bonds, see “CONCLUDING INFORMATION — Financial Interests” herein.

## **Continuing Disclosure**

The City will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) system certain annual financial information and operating data. The City will further agree to provide notice of certain material events. These covenants will be made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). See “CONCLUDING INFORMATION — Continuing Disclosure” and Appendix E for a description of the specific nature of the annual reports to be filed by the City and notices of material events to be provided by the City. Within the last five years, the City failed to timely comply with certain of its continuing disclosure obligations under Rule 15c2-12(b)(5) as described herein. However, it is now current on all required filings. See “CONCLUDING INFORMATION — Continuing Disclosure.”

## **Bond Owners’ Risks**

Certain events could affect the timely repayment of the principal of and interest on the Bonds when due. See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The purchase of the Bonds involves risks, and the Bonds are not suitable investments for some types of investors. See “SPECIAL RISK FACTORS” herein.

## Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement; and certain provisions of the Indenture are summarized in Appendix C. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the constitution and laws of the State as well as the proceedings of the City Council of the City, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

Copies of the Indenture and other documents and information referred to herein are available for inspection and (upon request and payment to the Trustee of a charge for copying, mailing and handling) for delivery from the Trustee.

Appendix B contains certain economic and demographic information concerning the City. This information is being provided only for general background purposes. **Neither the faith and credit nor the taxing power of the City is pledged to the payment of the Bonds.**

## THE REFUNDING PLAN

The 2004 Bonds are outstanding in the aggregate principal amount of \$3,940,000. A portion of the proceeds from the sale of the Bonds will be transferred to the trustee for the 2004 Bonds (the "Prior Trustee") and applied, along with other funds (the "Prior Funds") held by the Prior Trustee, to pay the principal and interest coming due on the 2004 Bonds on September 2, 2013 (the "Redemption Date") and to redeem the remaining 2004 Bonds on the Redemption Date at a redemption price equal to 100% of the principal amount thereof.

The Bond proceeds transferred to the Prior Trustee will be pledged to the payment of the 2004 Bonds and will not be available for the payment of the Bonds.

## ESTIMATED SOURCES AND USES OF FUNDS

The Trustee will receive the proceeds from the sale of the Bonds upon delivery of such Bonds to the purchasers thereof. The proceeds of the Bonds will be applied as set forth in the following table:

### SOURCES:

|                           |                        |
|---------------------------|------------------------|
| Principal Amount of Bonds | \$ 3,830,000.00        |
| Original Issue Premium    | 173,462.95             |
| Prior Funds               | <u>620,782.62</u>      |
| Total Sources             | <u>\$ 4,624,245.57</u> |

### USES:

|   |                        |
|---|------------------------|
| 2004 Bonds Redemption Fund <sup>(1)</sup> | \$ 4,058,041.25        |
| Reserve Fund <sup>(2)</sup>               | 322,287.50             |
| Costs of Issuance Fund <sup>(3)</sup>     | 214,148.29             |
| Underwriter's Discount                    | <u>29,768.53</u>       |
| Total Uses                                | <u>\$ 4,624,245.57</u> |

<sup>(1)</sup> To be applied to pay the interest, principal and redemption price of the 2004 Bonds on September 2, 2013.

<sup>(2)</sup> Equal to the initial Reserve Requirement.

<sup>(3)</sup> Includes costs of issuance, such as fees and costs of the Trustee, Bond Counsel, Disclosure Counsel, Financial Advisor and Reassessment Engineer and other related costs for the confirmation of the Reassessments and the issuance of the Bonds.

## THE BONDS

### General

The issuance of the Bonds was authorized by a resolution adopted by the City Council of the City and are being issued by the City pursuant to the 1984 Act and the Indenture between the City and the Trustee.

The Bonds will be dated their date of delivery and mature on September 2 in the years and in the amounts shown on the cover page of this Official Statement. Interest shall be payable on March 2, 2014, and semiannually thereafter on March 2 and September 2 of each year until maturity. The Bonds will be issued and delivered as fully registered bonds in book-entry form and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”). They will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of their Bonds. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See APPENDIX F — “BOOK-ENTRY ONLY SYSTEM” herein.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication and registration thereof unless (i) it is authenticated after a Record Date and on or before the immediately succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated before the close of business on the first Record Date, in which event it shall bear interest from its dated date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon or from the date of original delivery of the Bonds, if no interest has previously been paid or made available for payment on the Outstanding Bonds.

Interest on the Bonds is payable by the Trustee on each Interest Payment Date to the registered Owner thereof at such registered Owner’s address as it appears on the registration books maintained by the Trustee at the close of the Business Day on the Record Date preceding the Interest Payment Date. As long as the Bonds are registered in the name of Cede & Co., all interest payments will be made directly to DTC for distribution to the Beneficial Owners in accordance with DTC’s procedures. See APPENDIX F — “BOOK-ENTRY ONLY SYSTEM.”

### Redemption of Bonds

***Extraordinary Mandatory Redemption from Reassessment Prepayments.*** The Bonds shall be subject to extraordinary mandatory redemption, in whole or in part (and, if in part, selected in such a way that the ratio of Outstanding Bonds to originally issued Bonds shall be approximately the same in each maturity), on any Interest Payment Date, from and to the extent of any prepayment of Reassessments, at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

| <i>Redemption Dates</i>                                    | <i>Redemption Prices</i> |
|--|--------------------------|
| Interest Payment Dates March 2, 2014 through March 2, 2021 | 103%                     |
| September 2, 2021 and March 2, 2022                        | 102                      |
| September 2, 2022 and March 2, 2023                        | 101                      |
| September 2, 2023 and thereafter                           | 100                      |

***Optional Redemption of Bonds from Other Funds.*** The Bonds maturing on September 2, 2019 through and including September 2, 2032 are subject to redemption prior to their stated maturity dates on any Interest Payment Date on or after September 2, 2018, as selected by the City, from any source of funds other than prepayment of Reassessments, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

The Bonds maturing on September 2, 2033 are subject to redemption prior to their stated maturity date on any Interest Payment Date on or after September 2, 2023, as selected by the City, from any source of funds other than prepayment of Reassessments, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

### **Notice of Redemption**

*As long as the Bonds are registered in the name of Cede & Co., notices of redemption will be sent only to Cede & Co., as DTC's nominee, in accordance with DTC's procedures; and such notices will not be delivered to any Beneficial Owner. See APPENDIX F — "BOOK-ENTRY ONLY SYSTEM" herein.*

The Trustee shall cause notice of any redemption to be mailed by registered or certified mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the securities depository and to certain information services, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond Register maintained by the Trustee; but the actual receipt of any notice shall not be a condition precedent to such redemption and failure to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date.

A notice of redemption for optional redemption may be conditioned on the receipt by the City of sufficient funds to effect the redemption. If sufficient funds are not received by the City by the redemption date, the redemption shall not occur and the Bonds will remain outstanding under the Indenture. If any redemption is cancelled due to lack of sufficient funds, the Trustee shall mail a notice to the Bondowners stating that such redemption was cancelled and did not occur.

### **Refunding Bonds**

Pursuant to the 1984 Act, the City may issue refunding bonds for the purpose of redeeming Bonds. The City may issue and sell refunding bonds without giving notice to and conducting a hearing for the owners of property in the Assessment District or giving notice to the owners of the Bonds if the City Council makes the findings required in the 1984 Act.

### **Registration, Exchange or Transfer**

The registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds may be exchanged at the office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Trustee will not charge the Owner for any new Bond issued upon any exchange or transfer, but shall require the Owner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bond or Bonds shall be surrendered for registration of transfer or exchange, the City shall execute, and the Trustee shall authenticate and deliver, a new Bond or Bonds of the same maturity for a like aggregate principal amount; provided, that the Trustee shall not be required to register transfers or make exchanges of Bonds

(a) 15 days prior to the date established by the Trustee for selection of Bonds for redemption, or (b) with respect to a Bond after such Bond has been selected for redemption.

**Annual Debt Service**

Table 1 below sets forth the annual debt service on the Bonds based on the maturity schedule and interest rates set forth on the cover page of this Official Statement.

**TABLE 1  
THE CITY OF SAN DIEGO  
ASSESSMENT DISTRICT NO. 4096 (PIPER RANCH)  
LIMITED OBLIGATION REFUNDING BONDS**

**Annual Debt Service**

| <i>Year Ending<br/>September 2</i> | <i>Principal</i>       | <i>Interest</i>              | <i>Total</i>           |
|------------------------------------|------------------------|------------------------------|------------------------|
| 2014                               | \$ 80,000.00           | \$ 229,002.08 <sup>(1)</sup> | \$ 309,002.08          |
| 2015                               | 125,000.00             | 192,287.50                   | 317,287.50             |
| 2016                               | 135,000.00             | 187,287.50                   | 322,287.50             |
| 2017                               | 135,000.00             | 181,887.50                   | 316,887.50             |
| 2018                               | 140,000.00             | 176,487.50                   | 316,487.50             |
| 2019                               | 150,000.00             | 169,487.50                   | 319,487.50             |
| 2020                               | 155,000.00             | 161,987.50                   | 316,987.50             |
| 2021                               | 165,000.00             | 154,237.50                   | 319,237.50             |
| 2022                               | 170,000.00             | 145,987.50                   | 315,987.50             |
| 2023                               | 180,000.00             | 137,487.50                   | 317,487.50             |
| 2024                               | 190,000.00             | 128,487.50                   | 318,487.50             |
| 2025                               | 195,000.00             | 118,987.50                   | 313,987.50             |
| 2026                               | 210,000.00             | 109,237.50                   | 319,237.50             |
| 2027                               | 220,000.00             | 98,475.00                    | 318,475.00             |
| 2028                               | 230,000.00             | 87,200.00                    | 317,200.00             |
| 2029                               | 245,000.00             | 75,125.00                    | 320,125.00             |
| 2030                               | 255,000.00             | 61,956.26                    | 316,956.26             |
| 2031                               | 265,000.00             | 48,250.00                    | 313,250.00             |
| 2032                               | 285,000.00             | 33,675.00                    | 318,675.00             |
| 2033                               | 300,000.00             | 18,000.00                    | 318,000.00             |
| Total                              | <u>\$ 3,830,000.00</u> | <u>\$ 2,515,533.34</u>       | <u>\$ 6,345,533.34</u> |

<sup>(1)</sup> Includes interest from the date of issuance to September 2, 2014.

Source: Underwriters.

**SECURITY FOR THE BONDS**

**Limited Obligation**

The obligation of the City relating to the Bonds is not a general obligation of the City, but is a limited obligation, payable solely from the Reassessment Installments (defined below) and from the funds pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the City, the County or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds. **Notwithstanding any other provision of the Indenture, the City is not obligated to advance available surplus funds from the City treasury to cure any deficiency in the Redemption Fund.**

## Reassessment Liens and Installments

The Bonds are issued upon and secured by and payable solely from the Reassessments on parcels of property within the Assessment District together with interest thereon (the “Reassessment Installments”), and such Reassessment Installments constitute a trust fund for the redemption and payment of the principal of the Bonds and the interest thereon and premium, if any. In addition, all of the Bonds are secured by the moneys in the Reassessment Fund, the Redemption Fund and the Reserve Fund created pursuant to the Indenture. Principal of and interest on the Bonds are payable exclusively from amounts in the Redemption Fund.

**THE BONDS ARE NOT SECURED BY THE GENERAL TAXING POWER OF THE CITY, THE COUNTY OF SAN DIEGO OR THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS; NOR IS THE FULL FAITH AND CREDIT OF THE CITY, THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS PLEDGED TO THE PAYMENT OF THE BONDS.**

Although the Reassessment Installments constitute liens on the parcels assessed, they do not constitute a personal indebtedness of the respective owners of such parcels. There can be no assurance as to the ability or the willingness of such owners to pay the Reassessment Installments when due. See “SPECIAL RISK FACTORS.”

The Reassessment Installments will be collected annually on the County secured tax roll on which general *ad valorem* taxes on real property are collected. However, the Reassessment Installments pledged to repay the Bonds include only the annual portion of the Reassessment Installments levied to pay the principal of and interest on the Bonds and do not include the portion thereof levied to pay Administrative Expenses nor, to the maximum extent permitted by law, do the Reassessment Installments pledged to repay the Bonds include any penalties or interest payable in connection with delinquencies. The City will include in the annual Reassessment Installments an amount for the payment of Administrative Expenses.

The Reassessment Installments are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general *ad valorem* taxes. The properties upon which the Reassessments are levied are subject to the same provisions for sale and redemption as are properties for nonpayment of general taxes. The annual Reassessment Installments are to be paid to the City after being apportioned by the County. The City will transfer the amounts apportioned to it to the Trustee with instructions to deposit into the Reassessment Fund the portion thereof that was levied to pay the principal of and interest on the Bonds and to deposit into the Administrative Expense Fund the portion thereof that was levied to pay Administrative Expenses. The Trustee is to transfer amounts in the Reassessment Fund into the Redemption Fund to pay the principal of and interest on the Bonds as they become due.

The Reassessment Installments billed against each of the parcels in the Assessment District each year represent a *pro rata* share of the total principal and interest coming due on all of the Bonds that year. The amount billed against each parcel is based on the percentage which the Reassessment against the subject parcel bears to the total of all the Reassessments. The failure of a property owner to pay an annual Reassessment Installment will not result in an increase in Reassessment Installments against other property in the Assessment District.

Each property owner has a statutory right to prepay the Reassessment on a parcel in whole or in part on any date. Amounts received as prepaid Reassessments will be deposited in the Prepayment Account of the Redemption Fund and shall be used solely for the purpose of redeeming Bonds. See “THE BONDS — Redemption of Bonds — *Extraordinary Mandatory Redemption from Reassessment Prepayments.*”

### **Limited Obligation Upon Delinquency**

THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY AND ARE PAYABLE SOLELY FROM THE REASSESSMENT INSTALLMENTS AND THE OTHER AMOUNTS PLEDGED THEREFOR UNDER THE INDENTURE. THE CITY HAS DETERMINED NOT TO OBLIGATE ITSELF IN ANY WAY AND THE CITY WILL NOT UNDER ANY CIRCUMSTANCES AT ANY TIME BE REQUIRED TO LOAN OR PAY AVAILABLE FUNDS FROM THE CITY TREASURY TO CURE ANY DEFICIENCY IN THE REDEMPTION FUND IN THE EVENT OF DELINQUENT REASSESSMENT INSTALLMENTS. BONDOWNERS SHOULD NOT RELY UPON OR EXPECT THE CITY TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO THE REDEMPTION FUND.

### **Reserve Fund**

The Indenture provides that a Reserve Fund shall be established and held by the Trustee. The amount to be maintained in the Reserve Fund is to equal the Reserve Requirement. The Reserve Requirement means, as of any date of calculation, the least of (i) 10% of the original aggregate principal amount of the Bonds, (ii) maximum annual debt service on the Bonds and (iii) 125% of average annual debt service on the Bonds. Moneys in the Reserve Fund shall be held for the benefit of the Owners of the Bonds as a reserve for the payment of the principal of and interest on the Bonds and shall be subject to a lien in favor of the Owners of the Bonds. See APPENDIX C — “SUMMARY OF INDENTURE.”

In the event a Reassessment is prepaid in whole or in part, the City shall transfer such payment to the Trustee. The amount of each Reassessment prepaid shall be reduced by the amount the Trustee is required to transfer from the Reserve Fund for deposit in the Prepayment Account of the Redemption Fund. Under the Indenture the Trustee is to transfer the portion of the balance then in the Reserve Fund equal to the proportion that the principal amount of the Reassessment being prepaid bears to the total of all Reassessments remaining unpaid as of such date. The City shall notify, or shall cause the Trustee to be notified, of the amount so transferred provided that in no event shall the amount so transferred cause the amount in the Reserve Fund to drop below the Reserve Requirement as determined immediately subsequent to the transfer and redemption of Bonds made in connection therewith. After each such transfer, the Reserve Requirement shall be reduced by the amount of the related transfer.

Whenever there are insufficient funds in the Redemption Fund to meet the next maturing installment of principal of or interest on the Bonds, the Trustee shall transfer from the Reserve Fund for deposit in the Redemption Fund an amount necessary to satisfy such deficiency. The City agrees in the Indenture that if such insufficiency was caused by delinquent payment of Reassessment Installments, then an amount equal to the amount so transferred shall be reimbursed and transferred by the City to the Trustee for deposit in the Reserve Fund from the proceeds of redemption or sale of the delinquent parcel.

Moneys in the Reserve Fund in excess of the Reserve Requirement shall be withdrawn from the Reserve Fund on each March 1 and September 1 and shall be transferred by the Trustee to the Redemption Fund.

Whenever the balance in the Reserve Fund, the Reassessment Fund and the Redemption Fund is sufficient to retire all the remaining Outstanding Bonds, the Trustee shall, at the Written Direction of the City, transfer the balance in the Reserve Fund to the Redemption Fund.

THE CITY HAS NO OBLIGATION TO REPLENISH THE RESERVE FUND EXCEPT TO THE EXTENT THAT DELINQUENT REASSESSMENT INSTALLMENTS ARE PAID OR PROCEEDS FROM FORECLOSURE SALES ARE REALIZED.

## **Covenant to Foreclose and Judicial Foreclosure Proceedings**

The 1915 Act provides that in the event any Reassessment Installment is not paid when due, the City may order the institution of a court action to foreclose the lien of the Reassessment. In such an action, the real property subject to the Reassessment may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. However, pursuant to the Indenture, the City will covenant for the benefit of the Owners that it will determine or cause to be determined, not later than August 15 of each fiscal year in which Bonds are Outstanding, whether or not any owners of the real property within the Assessment District are delinquent in the payment of Reassessment Installments. The City will further covenant that, if such delinquencies exist, the City will order and caused to be commenced an action in the superior court to foreclose the lien of the Reassessment Installment(s) not paid when due, not later than the next following November 1, against any parcel that is subject to delinquencies of \$12,500 or more and against any group of parcels under common ownership with an aggregate delinquencies of \$12,500 or more; provided that during any period in which the amount on deposit in the Reserve Fund is less than the Reserve Requirement, the City shall commence foreclosure proceedings against any parcel that is subject to any amount of delinquency. The City will also covenant to diligently prosecute any such foreclosure action to judgment and foreclosure sale unless such delinquency is paid prior thereto. Upon the redemption or sale of the real property responsible for such delinquencies, the City will first deposit to the Reserve Fund the amount of any delinquency advanced therefrom and then disburse the remaining amount as set forth in the judgment of foreclosure or as required by law.

The 1915 Act provides that the court in a foreclosure proceeding has the power to order property securing delinquent Reassessment Installments to be sold for an amount not less than all Reassessment Installments, interest, penalties, costs, fees and other charges that are delinquent at the time the foreclosure action is ordered and certain other fees and amounts as provided in the 1915 Act. The court may also include subsequent delinquent Reassessment Installments and all other delinquent amounts.

If the property to be sold fails to sell for the minimum price described above, the City may petition the court to modify the judgment so that the property may be sold at a lesser price or without a minimum price. In certain circumstances, the court may modify the judgment after a hearing if the court makes certain determinations, including, but not limited to, a determination that the sale at less than the minimum price will not result in an ultimate loss to the Owners of the Bonds or a determination that the Owners of at least 75% of the principal amount of the Bonds outstanding have consented to the petition and the sale will not result in an ultimate loss to the non-consenting Bond Owners. Neither the property owner, nor any holder of a security interest in the property, nor any defendant in the foreclosure action, nor any agent thereof may purchase the property at the foreclosure sale for less than the minimum price.

For any lot or parcel with not more than four dwelling units, a period of 140 days must elapse after the date of the notice of levy of the interest in real property is served on the judgment debtor before the sale of such lot or parcel can be made. However, pursuant to Streets and Highways Code Section 8832, the 140 day period may be shortened to 20 days for undeveloped property. If the judgment debtor fails to redeem, and if the purchaser at the sale is the judgment creditor (e.g., the City), an action may be commenced by the delinquent property owner within 90 days after the date of sale to set aside such sale.

**In the event judicial foreclosure proceedings are commenced by the City, there may be delays in payments to Owners of the Bonds pending prosecution of the foreclosure proceedings to completion, including the receipt of the City of the proceeds of the foreclosure sale. It is also possible that no qualified bid will be received at the foreclosure sale. See “SPECIAL RISK FACTORS” herein.**

## **Priority of Reassessment Lien**

The Reassessments and each installment thereof and any interest and penalties thereon constitute a lien against the lots and parcels of land on which they were imposed until paid. Such lien has priority over all fixed special



assessment liens which may thereafter be created against the property and also has priority over all private liens, including the lien of any mortgage or deed of trust whenever created. Such lien is co-equal to and independent of the lien for general taxes. See “THE ASSESSMENT DISTRICT — Direct and Overlapping Indebtedness” and “SPECIAL RISK FACTORS — FDIC/Federal Government Interests in Parcels.”

### **No Additional Bonds**

The City is not authorized to issue additional bonds (other than the Bonds or any refunding bonds) secured by the Reassessments. See “THE BONDS — Refunding Bonds” above.

## **THE ASSESSMENT DISTRICT**

### **Description**

*General.* The Assessment District encompasses approximately 59.6 net assessable acres developed as a light manufacturing industrial park known as Piper Ranch Business Park. It is located north of Otay Mesa Road between Interstate 805 and the South Bay Expressway (State Route 125), at the northwest corner of Piper Ranch Road and Otay Mesa Road in the Otay Mesa community of the City (see “—Otay Mesa” below), approximately one-half mile east of Brown Field, a City-owned general aviation airport (see “—Brown Field” below). Direct access to the Assessment District is provided by Piper Ranch Road off Otay Mesa Road; and indirect access to the area is provided by Interstate 805, the South Bay Expressway and State Route 905 (see “Access” below). An aerial photograph depicting the Assessment District appears on page 18.

The Assessment District includes 21 parcels that are subject to Reassessments. Each of these parcels has been improved with at least one structure. See “— Property Information” below.

*Access.* Access to the Otay Mesa area is available from (i) Interstate 805, which generally parallels Interstate 5 from its intersection with Interstate 5 in the northern portion of the City to its reconnection with Interstate 5 near the San Ysidro international border crossing, (ii) the South Bay Expressway, a 10 mile, four lane toll road operated by the San Diego Council of Governments that opened in 2007 and that extends southerly from State Route 54 in the Spring Valley area to Otay Mesa Road approximately one-half mile from the Assessment District and (iii) State Route 905, a six lane east-west freeway that opened in 2012 and that connects the Otay Mesa Port of Entry with Interstate 805.

*Otay Mesa.* As noted above, the Assessment District is located in the Otay Mesa portion of the City, and it is part of the Otay Mesa Community Plan. The Otay Mesa Community Plan Area encompasses approximately 9,300 acres in the southern portion of the City. Until the mid-1980s, the area was primarily undeveloped agricultural land which lacked the necessary public infrastructure for urbanization. However, with the opening of the Otay Mesa border crossing (the “Otay Mesa Land Port of Entry”) in late 1985 and the transfer to it by January of 1995 of all cross-border commercial and industrial traffic, the opening of the State Prison in 1987 and the passage of the North American Free Trade Agreement, the area began to experience significant development. One of the most important factors leading to increased development activity in the Otay Mesa area has been the opening of the Otay Mesa Land Port of Entry and the ultimate transfer of all commercial and industrial traffic to its crossing facility. The Otay Mesa Land Port of Entry is a multi-modal (commercial, non-commercial and pedestrian) port of entry. Since 1995, the Otay Mesa Land Port of Entry has handled all commercial traffic between San Diego and Tijuana. (The San Ysidro international border crossing, located 5.5 miles to the west of Otay Mesa, now handles only pedestrian and private vehicular traffic.) According to the United States General Services Administration, the Otay Mesa Land Port of Entry is one of the ten busiest land ports in the country and is the busiest commercial port on the California/Baja California border. As the only commercial land port of entry in the San Diego region, the port is a major driver to the Southern California and Baja California border, handling the second highest volume of trucks and the highest dollar volume of trade among all U.S. land ports.

Business development incentives such as the state Enterprise Zone and federal Foreign Trade Zone can benefit companies in Otay Mesa. The Enterprise Zone program allows businesses to earn state tax credits by hiring new eligible employees and purchasing qualifying equipment to reduce its state income tax liability. With the restructuring of the Foreign Trade Zone Program in 2011, businesses in the County can take advantage of the simplified approval process to utilize program benefits. The program benefits allow foreign goods to enter a designated facility without formal Customs entry or payment of Custom duties by eliminating, reducing or deferring duties.

Otay Mesa's predominantly industrial zoning and its proximity to Mexico have provided a base for the City's expanding role in international manufacturing. Manufacturing operations with facilities on both sides of the border are referred to as maquiladoras, or twin plants. Generally, maquiladoras have manufacturing/assembly plants in Mexico that may import raw material duty-free, export the finished products to its U.S. facility to warehouse and eventually ship to customers around the world. Many companies that have located in Otay Mesa have maquiladoras in Baja California, Mexico. Additionally, with the business development incentives available to companies in Otay Mesa, its proximity to the International Border, and the availability and reasonable land costs, the City believes the area is in a good condition to attract new companies as the region's economy continues to improve.

The City is currently in the process of updating the Otay Mesa Community Plan. The process anticipates the distribution of an environmental document for public review in the summer of 2013 and the completion of the hearing process in the fall of 2013. As presently contemplated, the update would result in the rescission of the current Otay Mesa Development District and the implementation of Citywide zones; and the area within the Assessment District would be designated "Light Industrial" and would be zoned R-2-1. Based upon the information currently available, the City does not anticipate that the redesignation and rezoning associated with the update would negatively impact the existing development on the parcels within the Assessment District or create any nonconforming circumstances with respect to them.

*Brown Field Municipal Airport.* Brown Field is a City-owned general aviation airport occupying approximately 900 acres on the north side of Otay Mesa Road approximately one-half mile west of the Assessment District. General aviation encompasses all aviation except air carrier and military, although the military continues to maintain a strong presence. The types of general aviation aircraft that operate at Brown Field include: private, corporate, charter, air ambulance, law enforcement, fire rescue, flight training, cargo, skydiving, banner towing, and airships. The FAA has classified Brown Field as a reliever airport for San Diego International, Lindbergh Field. A reliever airport is an airport that serves general aviation aircraft that might otherwise use a congested air carrier airport. Airline passengers benefit by experiencing fewer delays due to air traffic congestion.

A proposal for the redevelopment of Brown Field has completed the public review period for its environmental impact report. The proposed project includes a jet aviation business center fixed base operator, a general aviation center, a corporate aviation center, a helicopter business center fixed base operator, a solar voltaic energy generation facility and various commercial uses. The proposed project anticipates beginning the hearing process at the City's Planning Commission in the summer of 2013 with City Council consideration to follow. Based on the information currently available, the City does not believe that the implementation of the proposal, if it is ultimately approved, will necessitate the acquisition of any of the parcels within the Assessment District or additional aviation easements with respect to them.

As a result of the proximity of the Assessment District to Brown Field, all of the property within the Assessment District is subject to one or more aviation easements which relate to the airspace above the property. See "SPECIAL RISK FACTORS — Proximity to Brown Field Municipal Airport."

**Formation**

Proceedings for the formation of the Assessment District were taken by the City Council of the City pursuant to the 1913 Act in order to assist in providing certain street, sewer and storm drain improvements (collectively, the “Improvements”) of special benefit to the parcels located within the boundaries of the Assessment District. In order to provide the funds with which to construct the Improvements, the City issued the 2004 Bonds in an aggregate principal amount of \$5,430,000 on January 14, 2004. All of the Improvements have been successfully completed.

At the time of its formation, the Assessment District encompassed 24 parcels. The City Council confirmed an Assessment on each of those parcels proportionate to the benefit received by it from the Improvements. Subsequent to the formation of the Assessment District, certain of the original parcels have been consolidated with other parcels, some of the parcels have been reconfigured and some of the Assessments have been prepaid with the result that the Assessment District now includes 21 parcels that are subject to Reassessments.

**Property Information**

The property within the Assessment District is zoned for industrial uses; and all of the parcels that are subject to Reassessments have been developed for such uses. The buildings constructed on such parcels range in size from approximately 11,500 square feet to over 56,000 square feet; and the businesses that they house include a wide variety such as furniture distributors, electronics manufacturers, a commercial tire center, a candy wholesaler, a motorcycle parts manufacturer and retailer and a tile warehouse. Information concerning these parcels is set forth in Table 2 below.

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**TABLE 2  
THE CITY OF SAN DIEGO  
ASSESSMENT DISTRICT NO. 4096 (PIPER RANCH)  
PARCEL INFORMATION**

| <i>APN</i>    | <i>Owner<sup>(1)</sup></i>                 | <i>Site Address<sup>(1)</sup></i> | <i>Acreage<sup>(1)</sup></i> | <i>Building Square Footage<sup>(1)</sup></i> | <i>Land Use Description<sup>(1)(2)</sup></i>  |
|---------------|--|-----------------------------------|------------------------------|--|---|
| 646-240-49-00 | Whalen Kenneth J Trust 07-01-05            | 1490 Air Wing Rd                  | 6.65                         | 56,684                                       | Industrial - Factory/light manufacturing      |
| 646-240-50-00 | Lot 18 Otay Mesa Road Inc.                 | 1540 Air Wing Rd                  | 5.25                         |  | Industrial - Warehouse-processing and storage |
| 646-240-51-00 | Lot 18 Otay Mesa Road Inc.                 | 1578 Air Wing Rd                  | 6.63                         |  | Industrial - Factory/light manufacturing      |
| 646-240-52-00 | Norman Ralph S.                            | 8715 Dead Stick Rd                | 0.88                         | 11,534                                       | Industrial - Factory/light manufacturing      |
| 646-240-53-00 | Jipson LLC                                 | 8735 Dead Stick Rd                | 1.04                         | 14,156                                       | Industrial - Factory/light manufacturing      |
| 646-240-54-00 | Marine J Family LLC <sup>(3)</sup>         | 8765 Dead Stick Rd                | 1.03                         | 14,000                                       | Industrial - Factory/light manufacturing      |
| 646-240-55-00 | Ibarra Javier & Garcia-Ibarra Angelica     | 8785 Dead Stick Rd                | 0.88                         | 11,534                                       | Industrial - Factory/light manufacturing      |
| 646-240-56-00 | Enterprise Properties LLC                  | 1350 Piper Ranch Rd               | 1.78                         | 32,028                                       | Industrial - Factory/light manufacturing      |
| 646-240-57-00 | R D J Fresh Produce LLC                    | 1400 Piper Ranch Rd               | 1.19                         | 22,000                                       | Industrial - Factory/light manufacturing      |
| 646-240-58-00 | Gutierrez Dante                            | 1410 Piper Ranch Rd               | 1.19                         | 22,000                                       | Industrial - Factory/light manufacturing      |
| 646-240-59-00 | Castaneda Mauricio                         | 8774 Approach Rd                  | 2.2                          | 31,539                                       | Industrial - Factory/light manufacturing      |
| 646-240-60-00 | Chen Lloyd L & Dong Liping                 | 8724 Approach Rd                  | 2.2                          | 31,499                                       | Industrial - Factory/light manufacturing      |
| 646-240-61-00 | 1411 Air Wing LLC                          | 1411 Air Wing Rd                  | 1.06                         | 18,345                                       | Industrial - Factory/light manufacturing      |
| 646-240-62-00 | Air Wing LLC                               | 1401 Air Wing Rd                  | 1.06                         | 18,345                                       | Industrial - Factory/light manufacturing      |
| 646-240-63-00 | 1351 Air Wing LLC                          | 1351 Air Wing Rd                  | 1.78                         | 32,028                                       | Industrial - Factory/light manufacturing      |
| 646-240-67-00 | R C J Properties LLC                       | 1207 Air Wing Rd                  | 2.2                          | 36,475                                       | Industrial - Factory/light manufacturing      |
| 646-240-68-00 | Coronado Juan                              | 8710 Dead Stick Rd                | 0.87                         | 12,800                                       | Industrial - Factory/light manufacturing      |
| 646-240-69-00 | Choi Hwa Sik                               | 1202 Piper Ranch Rd               | 0.92                         | 14,265                                       | Industrial - Factory/light manufacturing      |
| 646-240-70-00 | Burboa Francisco J B Family Trust 10-21-81 | 1200 Piper Ranch Rd               | 1.46                         | 20,530                                       | Industrial - Factory/light manufacturing      |
| 646-240-77-00 | Granite Piper Ranch LP                     | 1210 Air Wing Rd                  | 10.02                        |  | Industrial - Factory/light manufacturing      |
| 646-240-78-00 | Granite Piper Ranch LP                     | 1320 Air Wing Rd                  | <u>9.31</u>                  |  | Industrial - Factory/light manufacturing      |
| <b>TOTAL</b>  |  |                                   | <b>59.60</b>                 |  |   |

(1) Owner, Site Address, Acreage, Building Square Footage and Land Use Description is per the San Diego County Assessor as of January 2013.

(2) The property in the District is located within the Piper Ranch Business Park. The Piper Ranch Business Park is an industrial and business park which currently houses a variety of businesses. Furniture distributors, electronics manufacturers, a commercial tire center, a candy wholesaler, a motorcycle parts manufacturer and retailer and a tile warehouse all operate their businesses in the Piper Ranch Business Park.

(3) Marine J Family LLC appears on the County Assessor's Roll for Fiscal Year 2012-13 as the owner of this parcel. A grant deed dated May 21, 2013 was recorded on May 24, 2013 conveying the parcel to BHY Realty LLC, a California limited liability company. According to Realquest.com, the transfer was made for a sales price of \$1,078,000.

Source: NBS and County of San Diego.

**Estimated Value-to-Lien Ratios**

The aggregate assessed value of the 21 parcels that are subject to Reassessments, as shown in the County of San Diego Assessor's roll for fiscal year 2012-13, inclusive of corrections and appeals through May 17, 2013, is \$65,171,009. The ratio of the assessed value of such parcels to the total amount of the Reassessments, is approximately 17.02 to 1 and including other overlapping tax and assessment debt is 9.39 to 1. Table 3 below sets forth the individual assessed valuations of the 21 parcels and their respective Reassessments. The owners of Assessor's Parcel Nos. 646-240-54-00 and 646-240-57-00 have recently been granted reductions in assessed values following successful appeals to the County.

**TABLE 3  
THE CITY OF SAN DIEGO  
ASSESSMENT DISTRICT NO. 4096 (PIPER RANCH)  
VALUE-TO-LIEN INFORMATION**

| <i>APN</i>    | <i>Land Value <sup>(1)</sup></i> | <i>Improvement Value <sup>(1)</sup></i> | <i>Total Assessed Value<sup>(1)</sup></i> | <i>Reassessment Lien Amount <sup>(2)</sup></i> | <i>Assessed Value to Reassessment Lien <sup>(3)</sup></i> | <i>% of Total Reassessment Lien Amount</i> | <i>Overlapping Tax and Assessment Debt <sup>(4)</sup></i> | <i>Total Value to Lien <sup>(5)</sup></i> |
|---------------|----------------------------------|---|---|--|---|--|---|---|
| 646-240-49-00 | \$ 2,363,665.00                  | \$ 2,805,567.00                         | \$ 5,169,232.00                           | \$ 432,112.63                                  | 11.96 to 1  | 11.28%                                     | \$ 231,130.31   | 7.79 to 1                                 |
| 646-240-50-00 | 1,809,123.00                     | 4,928,629.00                            | 6,737,752.00                              | 341,141.55                                     | 19.75 to 1  | 8.91                                       | 301,263.08  | 10.49 to 1                                |
| 646-240-51-00 | 2,441,466.00                     | 6,166,468.00                            | 8,607,934.00                              | 430,813.04                                     | 19.98 to 1  | 11.25                                      | 384,883.96  | 10.55 to 1                                |
| 646-240-52-00 | 676,950.00                       | 665,851.00                              | 1,342,801.00                              | 57,458.55                                      | 23.37 to 1  | 1.50                                       | 60,040.26   | 11.43 to 1                                |
| 646-240-53-00 | 350,000.00                       | 650,000.00                              | 1,000,000.00                              | 67,905.55                                      | 14.73 to 1  | 1.77                                       | 44,712.70   | 8.88 to 1                                 |
| 646-240-54-00 | 450,000.00                       | 575,000.00                              | 1,025,000.00                              | 67,252.61                                      | 15.24 to 1  | 1.76                                       | 53,655.24   | 8.48 to 1                                 |
| 646-240-55-00 | 686,938.00                       | 605,925.00                              | 1,292,863.00                              | 57,458.55                                      | 22.50 to 1  | 1.50                                       | 57,807.39   | 11.22 to 1                                |
| 646-240-56-00 | 1,374,987.00                     | 1,442,683.00                            | 2,817,670.00                              | 116,222.97                                     | 24.24 to 1  | 3.03                                       | 125,985.63  | 11.63 to 1                                |
| 646-240-57-00 | 550,000.00                       | 1,230,000.00                            | 1,780,000.00                              | 77,699.62                                      | 22.91 to 1  | 2.03                                       | 127,210.00  | 8.69 to 1                                 |
| 646-240-58-00 | 880,035.00                       | 1,103,335.00                            | 1,983,370.00                              | 77,699.62                                      | 25.53 to 1  | 2.03                                       | 88,681.83   | 11.92 to 1                                |
| 646-240-59-00 | 1,411,609.00                     | 1,299,523.00                            | 2,711,132.00                              | 143,646.37                                     | 18.87 to 1  | 3.75                                       | 121,222.03  | 10.24 to 1                                |
| 646-240-60-00 | 1,150,000.00                     | 1,370,000.00                            | 2,520,000.00                              | 143,646.37                                     | 17.54 to 1  | 3.75                                       | 112,676.00  | 9.83 to 1                                 |
| 646-240-61-00 | 550,000.00                       | 825,000.00                              | 1,375,000.00                              | 69,211.43                                      | 19.87 to 1  | 1.81                                       | 61,479.96   | 10.52 to 1                                |
| 646-240-62-00 | 550,000.00                       | 820,000.00                              | 1,370,000.00                              | 69,211.43                                      | 19.79 to 1  | 1.81                                       | 70,574.52   | 9.80 to 1                                 |
| 646-240-63-00 | 852,973.00                       | 1,598,043.00                            | 2,451,016.00                              | 116,222.97                                     | 21.09 to 1  | 3.03                                       | 109,591.54  | 10.85 to 1                                |
| 646-240-67-00 | 1,267,516.00                     | 2,067,195.00                            | 3,334,711.00                              | 143,031.74                                     | 23.31 to 1  | 3.73                                       | 149,103.93  | 11.41 to 1                                |
| 646-240-68-00 | 535,292.00                       | 929,490.00                              | 1,464,782.00                              | 56,562.55                                      | 25.90 to 1  | 1.48                                       | 65,494.36   | 12.00 to 1                                |
| 646-240-69-00 | 616,608.00                       | 775,898.00                              | 1,392,506.00                              | 59,813.27                                      | 23.28 to 1  | 1.56                                       | 62,262.70   | 11.41 to 1                                |
| 646-240-70-00 | 675,240.00                       | 1,020,000.00                            | 1,695,240.00                              | 94,921.07                                      | 17.86 to 1  | 2.48                                       | 75,798.76   | 9.93 to 1                                 |
| 646-240-77-00 | 3,060,000.00                     | 4,970,000.00                            | 8,030,000.00                              | 626,168.67                                     | 12.82 to 1  | 16.35                                      | 433,713.18  | 7.58 to 1                                 |
| 646-240-78-00 | <u>2,840,000.00</u>              | <u>4,230,000.00</u>                     | <u>7,070,000.00</u>                       | <u>581,799.44</u>                              | <u>12.15 to 1</u>   | <u>15.19</u>                               | <u>375,586.67</u>   | <u>7.38 to 1</u>                          |
| <b>TOTALS</b> | <b>\$ 25,092,402.00</b>          | <b>\$ 40,078,607.00</b>                 | <b>\$ 65,171,009.00</b>                   | <b>\$ 3,830,000.00</b>                         | <b>17.02 to 1</b>   | <b>100.00%</b>                             | <b>\$ 3,112,874.03</b>                                    | <b>9.39 to 1</b>                          |

<sup>(1)</sup> Fiscal Year 2012-13 Assessed Values are as of January 1, 2012 provided by the San Diego County Assessor and reflect corrections and appeals that have been processed by the County as of May 17, 2013. The County recently granted an assessment appeal for Assessor's Parcel No. 646-240-57-00 reducing the assessed value from \$2,845,053 to the \$1,780,000 shown above and for Assessor's Parcel No. 646-240-54-00 reducing the assessed value from \$1,200,000 to the \$1,025,000 shown above.

<sup>(2)</sup> Reassessment lien amounts as set forth in the Reassessment Report.

<sup>(3)</sup> Calculated by dividing Total Assessed Value column by Reassessment Lien Amount column.

<sup>(4)</sup> Overlapping Tax and Assessment Debt represents the total overlapping tax and assessment debt as set forth in Table 6 as provided by California Municipal Statistics, Inc. on May 14, 2013 with data as of May 1, 2013.

<sup>(5)</sup> Calculated by dividing the Total Assessed Value column by the sum of the Reassessment Lien Amount and the Overlapping Tax and Assessment Debt columns.

Source: NBS and County of San Diego.

**Concentration of Reassessments**

As shown in Table 4 below, the Reassessments are not spread evenly among the 21 parcels that are subject to them. Five of the parcels (which are held by three different ownerships) are responsible for nearly 63% of the aggregate amount of the Reassessments.

**TABLE 4  
THE CITY OF SAN DIEGO  
ASSESSMENT DISTRICT NO. 4096 (PIPER RANCH)  
TOP PROPERTY OWNERS**

| <i>APN</i>    | <i>Owner <sup>(1)</sup></i>                | <i>Reassessment<br/>Lien<br/>Amount <sup>(2)</sup></i> | <i>% of Total<br/>Reassessment<br/>Lien Amount</i> |
|---------------|--|--|--|
| 646-240-77-00 | GRANITE PIPER RANCH LP <sup>(3)</sup>      | \$ 1,207,968.11  | 31.54%   |
| 646-240-78-00 |  |  |  |
| 646-240-50-00 | LOT 18 OTAY MESA ROAD INC. <sup>(4)</sup>  | 771,954.58   | 20.16  |
| 646-240-51-00 |  |  |  |
| 646-240-49-00 | WHALEN KENNETH J TRUST 07-01-05            | 432,112.63   | 11.28  |
| 646-240-59-00 | CASTANEDA MAURICIO                         | 143,646.37   | 3.75   |
| 646-240-60-00 | CHEN LLOYD L & DONG LIPING                 | 143,646.37   | 3.75   |
| 646-240-67-00 | R C J PROPERTIES LLC                       | 143,031.74   | 3.73   |
| 646-240-63-00 | 1351 AIR WING LLC                          | 116,222.97   | 3.03   |
| 646-240-56-00 | ENTERPRISE PROPERTIES LLC                  | 116,222.97   | 3.03   |
| 646-240-70-00 | BURBOA FRANCISCO J B FAMILY TRUST 10-21-81 | 94,921.07  | 2.48   |
| 646-240-58-00 | GUTIERREZ DANTE                            | 77,699.62  | 2.03   |
| 646-240-57-00 | R D J FRESH PRODUCE LLC                    | 77,699.62  | 2.03   |
| 646-240-61-00 | 1411 AIR WING LLC                          | 69,211.43  | 1.81   |
| 646-240-62-00 | AIR WING LLC                               | 69,211.43  | 1.81   |
| 646-240-53-00 | JIPSON LLC                                 | 67,905.55  | 1.77   |
| 646-240-54-00 | MARINE J FAMILY LLC <sup>(5)</sup>         | 67,252.61  | 1.76   |
| 646-240-69-00 | CHOI HWA SIK                               | 59,813.27  | 1.56   |
| 646-240-55-00 | IBARRA JAVIER & GARCIA-IBARRA ANGELICA     | 57,458.55  | 1.50   |
| 646-240-52-00 | NORMAN RALPH S                             | 57,458.55  | 1.50   |
| 646-240-68-00 | CORONADO JUAN                              | <u>56,562.55</u>                                       | <u>1.48</u>  |
|               |  | <u>\$ 3,830,000.00</u>                                 | <u>100.00%</u>                                     |

(1) Owner data is per the San Diego County Assessor as of January 2013.

(2) Reassessment lien amounts as set forth in the Reassessment Report.

(3) Granite Piper Ranch LP owns Assessor Parcel Numbers 646-240-77-00 and 646-240-78-00 and the Reassessment lien amount and percentage are the combined totals for the two parcels.

(4) Lot 18 Otay Mesa Road Inc. owns Assessor Parcel Numbers 646-240-50-00 and 646-240-51-00 and the Reassessment lien amount and percentage are the combined totals for these two parcels.

(5) Marine J Family LLC appears on the County Assessor’s Roll for Fiscal Year 2012-13 as the owner of this parcel. A grant deed dated May 21, 2013 was recorded on May 24, 2013 conveying the parcel to BHY Realty LLC, a California limited liability company. According to Realquest.com, the transfer was made for a sales price of \$1,078,000.

Source: NBS and County of San Diego

# City of San Diego Piper Ranch Assessment District No. 4096





*History of Assessed Valuations.* Table 5 below sets forth the assessed valuations for each of the 21 parcels that are subjected to Reassessments, in each case as shown on the records of the San Diego County Assessor on July 1 of the year in question. The owners of Assessor’s Parcel Nos. 646-240-54-00 and 646-240-57-00 appealed the respective assessments assigned to their properties. In the case of Assessor’s Parcel Number 646-240-54-00, the property owner requested a value of \$900,000 for fiscal year 2011-12 and of \$650,000 for fiscal year 2012-13; and the County’s appraiser recommended a value of \$1,025,000 for both years. A hearing on the appeal was held on May 16, 2013 and the County approved a value for both years of \$1,025,000. In the case of Assessor’s Parcel Number 646-240-57-00, the property owner requested an assessed valuation for fiscal year 2011-12 of \$1,720,000; no request for a reduction in the assessed valuation of this property was made for fiscal year 2012-13. The County recently approved a reduced value of \$1,780,000 for fiscal year 2011-12 and for fiscal year 2012-13.

**TABLE 5**  
**THE CITY OF SAN DIEGO**  
**ASSESSMENT DISTRICT NO. 4096 (PIPER RANCH)**  
**HISTORY OF ASSESSED VALUATIONS<sup>(1)</sup>**

| <i>APN</i> | <i>Fiscal Year<br/>2008-09</i> | <i>Fiscal Year<br/>2009-10</i> | <i>Fiscal Year<br/>2010-11</i> | <i>Fiscal Year<br/>2011-12</i> | <i>Fiscal Year<br/>2012-13</i> |
|------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 6462404900 | \$ 5,131,286                   | \$ 5,893,817                   | \$ 5,879,847                   | \$ 5,067,875                   | \$ 5,169,232                   |
| 6462405000 | 6,442,991                      | 6,571,850                      | 6,556,273                      | 6,605,640                      | 6,737,752                      |
| 6462405100 | 8,170,425                      | 8,333,833                      | 8,376,081                      | 8,439,152                      | 8,607,934                      |
| 6462405200 | 1,284,060                      | 1,309,740                      | 1,306,635                      | 1,316,473                      | 1,342,801                      |
| 6462405300 | 1,498,424                      | 1,528,391                      | 1,524,767                      | 1,536,248                      | 1,000,000                      |
| 6462405400 | 1,273,448                      | 1,298,916                      | 1,200,000                      | 1,025,000                      | 1,025,000                      |
| 6462405500 | 1,236,306                      | 1,261,031                      | 1,258,042                      | 1,267,514                      | 1,292,863                      |
| 6462405600 | 2,694,406                      | 2,748,293                      | 2,741,779                      | 2,762,423                      | 2,817,670                      |
| 6462405700 | 2,035,702                      | 2,775,000                      | 2,768,423                      | 1,780,000                      | 1,780,000                      |
| 6462405800 | 1,896,604                      | 1,934,535                      | 1,929,949                      | 1,944,481                      | 1,983,370                      |
| 6462405900 | 2,592,529                      | 2,644,379                      | 2,638,110                      | 2,657,974                      | 2,711,132                      |
| 6462406000 | 2,721,871                      | 2,776,307                      | 2,520,000                      | 2,520,000                      | 2,520,000                      |
| 6462406100 | 1,470,000                      | 1,550,000                      | 1,375,000                      | 1,375,000                      | 1,375,000                      |
| 6462406200 | 1,509,351                      | 1,539,537                      | 1,535,888                      | 1,370,000                      | 1,370,000                      |
| 6462406300 | 2,796,448                      | 2,852,376                      | 2,385,000                      | 2,402,958                      | 2,451,016                      |
| 6462406700 | 3,188,826                      | 3,252,602                      | 3,244,892                      | 3,269,325                      | 3,334,711                      |
| 6462406800 | 1,400,704                      | 1,428,717                      | 1,425,330                      | 1,436,062                      | 1,464,782                      |
| 6462406900 | 1,258,884                      | 1,284,061                      | 1,355,000                      | 1,365,203                      | 1,392,506                      |
| 6462407000 | 1,820,700                      | 1,857,114                      | 1,852,712                      | 1,662,000                      | 1,695,240                      |
| 6462407700 | 11,120,000                     | 12,196,000                     | 9,700,000                      | 8,030,000                      | 8,030,000                      |
| 6462407800 | <u>13,400,000</u>              | <u>10,950,000</u>              | <u>8,400,705</u>               | <u>7,070,000</u>               | <u>7,070,000</u>               |
|            | \$74,942,965                   | \$75,986,499                   | \$69,973,728                   | \$64,903,328                   | \$65,171,009                   |

<sup>(1)</sup> All Assessed Value data is per the San Diego County Assessor as of July for each year provided that the data is updated to reflect corrections and appeals approved by the County of San Diego as of May 17, 2013.  
Source: NBS and County of San Diego

**Direct and Overlapping Indebtedness**

The ability of an owner of land within the Assessment District to pay the Reassessment Installments could be affected by the existence of other taxes and assessments imposed upon the property. These other taxes and assessments securing the repayment of overlapping debt in the Assessment District are set forth in Table 6 below (the “Debt Report”). The Debt Report sets forth those entities which have issued debt and does not include entities which only levy or assess fees, charges, *ad valorem* taxes or special taxes. Neither the City nor



the Underwriters have independently verified the information in the Debt Report and do not guarantee its completeness or accuracy.

**TABLE 6**  
**THE CITY OF SAN DIEGO**  
**ASSESSMENT DISTRICT NO. 4096 (PIPER RANCH)**  
**DIRECT AND OVERLAPPING INDEBTEDNESS**  
**May 1, 2013**

2012-13 Local Secured Assessed Valuation: \$69,619,462<sup>(1)</sup>

| <u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>                             | <u>% Applicable</u> | <u>Debt 5/1/13</u>                     |
|--|---------------------|--|
| Metropolitan Water District  | 0.003%              | \$ 5,476                               |
| Southwestern Community College District  | 0.168               | 396,581                                |
| Sweetwater Union High School District  | 0.201               | 725,868                                |
| San Ysidro School District   | 1.573               | 1,984,950                              |
| <b>City of San Diego Assessment District No. 4096</b>                              | <b>100.</b>         | <b><u>3,940,000</u></b> <sup>(2)</sup> |
| TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT                               |                     | \$7,052,875                            |
| <br><u>OVERLAPPING GENERAL FUND DEBT:</u>  |                     |  |
| San Diego County General Fund Obligations  | 0.018%              | \$ 72,836                              |
| San Diego County Pension Obligations   | 0.018               | 137,352                                |
| San Diego County Superintendent of Schools Obligations                             | 0.018               | 3,181                                  |
| Otay Municipal Water District Certificates of Participation                        | 0.305               | 171,470                                |
| Southwestern Community College District General Fund Obligations                   | 0.168               | 2,093                                  |
| Sweetwater Union High School District Certificates of Participation                | 0.201               | 12,115                                 |
| San Ysidro School District Certificates of Participation                           | 1.573               | 675,520                                |
| City of San Diego General Fund Obligations   | 0.039               | <u>209,023</u>                         |
| TOTAL GROSS OVERLAPPING GENERAL FUND DEBT  |                     | \$1,283,590                            |
| Less: Otay Municipal Water District Certificates of Participation (100% supported) |                     | <u>171,470</u>                         |
| TOTAL NET OVERLAPPING GENERAL FUND DEBT  |                     | \$1,112,120                            |
| <br>GROSS COMBINED TOTAL DEBT  |                     |  |
|  |                     | \$8,336,465 <sup>(3)</sup>             |
| <br>NET COMBINED TOTAL DEBT  |                     |  |
|  |                     | \$8,164,995                            |

Ratios to 12-13 Assessed Valuation:

|   |              |
|---|--------------|
| <b>Direct Debt (\$3,940,000)</b> .....                    | <b>5.66%</b> |
| Total Direct and Overlapping Tax and Assessment Debt..... | 10.13%       |
| Gross Combined Total Debt.....                            | 11.97%       |
| Net Combined Total Debt .....                             | 11.73%       |

<sup>(1)</sup> Does not include corrections and appeals made by the County subsequent to the initial assessment roll.

<sup>(2)</sup> Principal amount of 2004 Bonds.

<sup>(3)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

## Delinquencies in the Assessment District

Table 7 below shows the history of delinquencies in the payment of assessment installments for the current and most recent five fiscal years. As shown therein, as of June 18, 2013, only one parcel within the Assessment District was delinquent in the payment of its assessment installments. That parcel (Assessor's Parcel 646-240-59-00) has thus far failed to pay the second assessment installment levied for fiscal year 2012-13. The amount remaining delinquent is now below the minimum at which foreclosure action must be commenced. Accordingly, while the City could elect to proceed with a foreclosure to collect the remaining delinquency, there is no requirement that it do so.

**TABLE 7  
THE CITY OF SAN DIEGO  
ASSESSMENT DISTRICT NO. 4096 (PIPER RANCH)  
DELINQUENCY HISTORY**

| <i>Fiscal Year</i> | <i>Number of Parcels Assessed</i> | <i>Total Levy</i> | <i>Delinquent Parcels at Fiscal Year End</i> | <i>Delinquent Installments at Fiscal Year End<sup>(1)</sup></i> | <i>Percent Delinquent in Fiscal Year</i> | <i>Parcels Remaining Delinquent</i> | <i>Amount Remaining Delinquent<sup>(2)</sup></i> | <i>Percent Remaining Delinquent</i> |
|--------------------|-----------------------------------|-------------------|--|---|--|-------------------------------------|--|-------------------------------------|
| 2012-13            | 21                                | \$355,117         | NA   | NA  | NA                                       | 1                                   | \$6,661  | 1.88%                               |
| 2011-12            | 21                                | 369,877           | 0  | 0   | 0.00%                                    | 0                                   | 0  | 0.00                                |
| 2010-11            | 21                                | 370,240           | 1  | \$3,760   | 1.02                                     | 0                                   | 0  | 0.00                                |
| 2009-10            | 21                                | 363,995           | 1  | 6,464   | 1.78                                     | 0                                   | 0  | 0.00                                |
| 2008-09            | 21                                | 356,731           | 3  | 20,789  | 5.83                                     | 0                                   | 0  | 0.00                                |
| 2007-08            | 27                                | 382,310           | 1  | 6,792   | 1.78                                     | 0                                   | 0  | 0.00                                |
|                    |                                   |                   |  |   |  | Total                               | <b>\$6,661</b>                                   |                                     |

<sup>(1)</sup> Reflects final fiscal year end data reported in August of each year; does not include penalties and interest.

<sup>(2)</sup> As of June 18, 2013. Amount remaining delinquent does not include penalties and interest.

Source: The City of San Diego

## Annual Assessment for Administrative Expenses

The costs associated with administering the Assessment District will be spread to each parcel in the Assessment District with a Reassessment on a *pro rata* basis. When the Assessment District was formed, an annual assessment for Administrative Expenses was also approved in the amount of \$25,000 beginning in fiscal year 2003-04 escalating not more than two percent (2%) in each subsequent fiscal year. Under this formula, the amount for fiscal year 2013-14 is \$30,475. The City expects that the amount to be levied for Administrative Expenses under the formula and other statutory provisions applicable to the Assessment District will be in the approximate amount calculated under the formula inclusive of the 2% escalation.

## SPECIAL RISK FACTORS

The purchase of the Bonds involves significant investment risks; and, therefore, the Bonds may not be suitable investments for many investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the Assessment District to pay their Reassessment Installments when due. Such failures could result in the inability of the City to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the Assessment District.

## **General**

In order to pay debt service on the Bonds, it is necessary that Reassessment Installments be paid in a timely manner. The Reserve Fund will be used to pay debt service on the Bonds if delinquent Reassessment Installments should occur. Failure by owners of the parcels to pay Reassessment Installments when due, depletion of the Reserve Fund or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent Reassessment Installments for such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds, and Bondowners would thereby be adversely affected. There can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Fund and a delay in payments of debt service on the Bonds. See “SECURITY FOR THE BONDS — Covenant to Foreclose and Judicial Foreclosure Proceedings.”

The 1915 Act provides that except under certain circumstances property is to be sold upon foreclosure at a Minimum Price. “Minimum Price” as defined in the 1915 Act is the amount equal to the delinquent installments of principal or interest of the assessment or assessment, together with all interest penalties, costs, fees, charges and other amounts more fully detailed in the 1915 Act. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than the Minimum Price will not result in an ultimate loss to the Bondowners or, under certain circumstances, if owners of 75% or more of the outstanding Bonds consent to such sale.

Reassessment Installments do not constitute a personal indebtedness of the owners of the parcels within the Assessment District. There is no assurance the owners will be able to pay the Reassessment Installments or that they will pay such installments even though financially able to do so.

## **Delinquency Resulting in Ultimate or Temporary Loss on Bonds**

If a temporary deficiency occurs in the Redemption Fund with which to pay the principal of or interest on Bonds that have then matured, or the principal and interest on Bonds coming due during the current year, unless it appears to the Treasurer that there will be an ultimate loss to the Bondowners, the Treasurer shall cause the Trustee to pay the principal of Bonds which have matured as presented and make interest payments on the Bonds when due, as long as there are available funds in the Redemption Fund, in the order of priority and as required by the Indenture. If it appears to the Treasurer that there is a danger of an ultimate loss accruing to the Bondowners for any reason, the Treasurer is required pursuant to the 1915 Act to withhold payment on all matured Bonds and interest on all Bonds and report the facts to the City Council so that the City Council may take proper action to equitably protect all Bondowners. See APPENDIX C — “SUMMARY OF INDENTURE.”

## **Concentration of Ownership**

As discussed above under the caption “THE ASSESSMENT DISTRICT — Lien Concentration,” five parcels (which are held in three ownerships) are responsible for approximately 63% of the Reassessments. A failure to pay the Reassessment Installments applicable to such properties could result in the rapid depletion of the amount on deposit in the Reserve Fund and, if foreclosure proceedings were not successfully completed in a timely manner, to the default in payment of debt service on the Bonds.

## **Non-Cash Payments of Assessments**

The 1915 Act may permit the owner of a parcel that is subject to a Reassessment to tender any Bond secured by such Reassessment in payment or partial payment of any installment of the Reassessment or interest or penalties thereon which may be due or payable. A Bond so tendered is to be accepted at the par amount thereof and credit is to be given for any interest thereon accrued to the date of the tender. Thus, if Bonds can be purchased at a discount, it may be to the advantage of a property owner to pay amounts due with respect to

an assessment by tendering a Bond. Such a practice would decrease the cash flow available to the City to make payments with respect to other Bonds then outstanding and could result in a default in payment on the Bonds.

### **Limited City Obligation Upon Delinquency**

Pursuant to the 1915 Act, the City has elected not to be obligated to advance funds from the treasury of the City for delinquent Reassessment Installments. The only obligation of the City with respect to such delinquencies and the consequent deficiencies in the Redemption Fund (apart from its duty to commence foreclosure proceedings in certain circumstances; see “SECURITY FOR THE BONDS — Covenant to Foreclose and Judicial Foreclosure Proceedings”) is to advance money to the Redemption Fund from the Reserve Fund. The City has no obligation to replenish the Reserve Fund except to the extent that delinquent Reassessment Installments are paid or proceeds from foreclosure sales are realized. There is no assurance that the balance in the Reserve Fund will always be adequate to pay all delinquent Reassessment Installments and if during the period of delinquency there are insufficient funds in the Reserve Fund, a delay may occur in payments to the Bondowners.

### **Property Values**

The value of the property within the Assessment District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Reassessment Installments, the City’s only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the delinquent Reassessment Installments. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires or floods, droughts, stricter land use regulations or other events will adversely impact the security underlying the assessments. See “THE ASSESSMENT DISTRICT — Description” herein.

The assessed values set forth in this Official Statement do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when acquired by its current owner, adjusted annually by an amount determined by the County Assessor, generally not to exceed an increase of more than 2% per fiscal year and subject to being decreased as a result of appeals filed by property owners. No assurance can be given that a parcel could actually be sold for its assessed value.

No assurance can be given that any bid will be received for a parcel with delinquent Reassessment Installments offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Reassessment Installments. See “SECURITY FOR THE BONDS — Covenant to Foreclose and Judicial Foreclosure Proceedings.”

### **Risks of Real Estate Secured Investments Generally**

The Owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Assessment District, the supply of or demand for competitive properties in such area, and the market value of commercial buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, wildfires and floods), which may result in uninsured losses; (iv) adverse changes in local market conditions; and (v) increased delinquencies due to rising mortgage costs and other factors.

## **Proximity to Brown Field Municipal Airport**

The Assessment District is located in the vicinity of Brown Field, a City-owned general aviation airport. The proximity of the Assessment District to Brown Field could have a variety of impacts on the property within the Assessment District and presents certain risks to owners of the Bonds. The property within the Assessment District is subject to one or more aviation easements that, among other provisions, limit the height of buildings that can be constructed on such property. These easements have been placed over the Assessment District property and other properties within the appropriate spheres of influences near the airport in order to limit liability to the City (as the owner/sponsor of the Brown Field Airport) for nuisances resulting from airport noise impacts as well as impacts from air emissions. It is therefore possible that airport noise, and other impacts associated with aircraft operations, including the possibility of damage to parcels resulting from an aviation accident, could negatively impact real property values in the Assessment District. Moreover, potential future increases in activity at the airport could increase the likelihood of such adverse impacts.

The Assessment District is located within the Airport Influence Area (“AIA”), which defines the jurisdiction of the Airport Land Use Commission (“ALUC”). In 2004, pursuant to its statutory authority, the San Diego County Regional Airport Authority (“Airport Authority”), acting as the ALUC amended the Comprehensive Land Use Plan (“CLUP”) first adopted by San Diego Association of Governments, serving as the ALUC, in 1981. As part of the 2004 amendment, the CLUP was renamed as the Airport Land Use Compatibility Plan (“ALUCP”). The ALUC comprehensively updated the ALUCP for Brown Field in 2010. The ALUCP contains policies and criteria addressing noise, airspace protection, over-flight, and safety that are used by the City and the Airport Authority for determining whether proposed developments or uses would be consistent with existing and future airport operations at Brown Field. The ALUCP policies and criteria do not apply to existing uses such as the buildings currently existing in the Assessment District. The City adopted the Airport Land Use Compatibility Overlay Zone within Chapter 13, Article 2, Division 15 of the San Diego Municipal Code to implement the ALUCP policies and criteria.

Portions of the Assessment District are located within ALUCP Safety Zones 2 and 3 which contain restrictions and limitations on the types of uses and intensity of uses for new uses. Portions of the Assessment District are also located within the airport noise contours that range from the 60 to 65 and the 65 to 70 decibel community noise equivalent level. The ALUCP contains restrictions and limitations on the type of use based on the noise level and type of new use. The ALUCP requires that all new structures comply with Code of Federal Regulations, Title 14, Part 77 to ensure that new structures would not result in a hazard to air navigation as determined by the Federal Aviation Administration. These procedures require, among other provisions, that prior to any construction or alteration, a property owner file a notice with the FAA and obtain a letter from the FAA stating that it has determined that the proposed project presents no hazard to air navigation.

Should an existing building in the Assessment District be damaged or destroyed under the current provisions of the ALUCP, it could be rebuilt and restored to its current configuration and use so long as the reconstruction did not increase occupancy levels and provided that a letter is obtained from the FAA stating that the proposed rebuilding and restoration presents no hazard to air navigation. Any proposed increase in height, density or intensity of use of an existing building or proposed new use on a parcel would be subject to the restrictions and limitations in the ALUCP. The ALUC could impose additional restrictions on alterations to existing uses and new uses beyond those currently in effect.

## **Economic Uncertainty**

The Bonds are being issued at a time of economic uncertainty and volatility. Unemployment rates were approximately 7.0% for the City as of April 2013 (not seasonally adjusted) as compared to approximately 8.9% for calendar year 2012 (not seasonally adjusted) and were approximately 8.5% (not seasonally adjusted) for the State as of April 2013 as compared to approximately 10.5% for calendar year 2012 (not seasonally adjusted). The City cannot predict how long these conditions will last or whether to what extent they may affect the ability of property owners to pay Reassessment Installments when due.

One aspect of economic uncertainty results from actions by the federal government to reduce the federal deficit through automatic spending cuts referred to as sequestration. In particular, actions by the Department of Defense relating to the sequestration could result in reductions in military expenditures in the County. Other sectors of the City and County economy, such as consumer spending, taxable sales and job growth, may also be impacted by sequestration. The City is unable to predict the extent of any negative impact on the area economy. See APPENDIX B — “DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING THE CITY OF SAN DIEGO—Military.”

### **Bankruptcy and Foreclosure**

The payment of Reassessments and the ability of the City to foreclose the lien of delinquent Reassessment Installments, as discussed in the section entitled “SECURITY FOR THE BONDS — Covenant to Foreclose and Judicial Foreclosure Proceedings,” may be limited by bankruptcy, insolvency, or other laws generally affecting creditors’ rights or by the law of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure could be delayed due to crowded local court calendars or procedural delays.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although bankruptcy proceedings would not cause the Reassessments to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior judicial foreclosure proceedings and could result in delinquent Reassessment Installments not being paid in full. Where property is encumbered by liens securing mortgage loans, it is highly probable that bankruptcy of a property owner would delay foreclosure for an extended period of time. Such a delay would increase the likelihood of a delay or default in payment of the principal and interest on the Bonds.

### **Federal Government Interests in Parcels**

The ability of the City to foreclose the lien of delinquent Reassessment Installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”), the Drug Enforcement Agency, the Internal Revenue Service, or any other federal instrumentality such as the Federal National Mortgage Association (“FNMA”) or the Federal Home Loan Mortgage Corporation (“Freddie Mac”), has or obtains an interest.

*FDIC.* In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the City to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Reassessment Installments may be limited. The FDIC’s policy statement regarding the payment of state and local real property taxes (the “Policy Statement”) provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property’s value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution’s affairs, unless abandonment of the FDIC’s interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent that the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC’s consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC’s consent.

The Policy Statement states that the FDIC generally will not pay non-ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts.

The FDIC has taken a position similar to that expressed in the Policy Statement in legal proceedings brought against Orange County, California in United States Bankruptcy Court and in Federal District Court. The Bankruptcy Court issued a ruling in favor of the FDIC on certain of such claims. Orange County appealed that ruling, and the FDIC cross-appealed. On August 28, 2001, the United States Court of Appeals for the Ninth Circuit issued a ruling favorable to the FDIC except with respect to the payment of pre-receivership liens based upon delinquent property tax.

While the City is unaware of any FDIC ownership interest in any of the parcels within the Assessment District, it is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to a parcel within the Assessment District in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale.

*Other Federal Agencies.* The City's remedies may also be limited in the case of delinquent Reassessment Installments with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

The City has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels with Reassessments and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

### **Natural Disasters**

The Assessment District, like many areas in California, may be subject to unpredictable seismic activity, fires, floods, droughts or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads and property within the Assessment District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. While the Assessment District is not located within any Earthquake Fault Zone established pursuant to the State's Alquist-Priolo Earthquake Fault Zoning Act, there are several known faults within the general area, one of which is approximately five miles from the Assessment District.

The City is located in an area of high fire risk. Significant wildfires have burned portions of the City in recent years, and one of these fires burned property approximately one mile from the Assessment District.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the Assessment District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Reassessment Installments when due. In addition, the value of property in the Assessment District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Reassessment Installments.

### **Hazardous Substances**

While government taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may also be relevant. The value of a parcel may be reduced as a result of a claim with regard to a hazardous substance.

In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Super Fund Act”, is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar in effect. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of a parcel whether or not the owner (or operator) had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the Assessment District be affected by a hazardous substance, is to reduce the marketability and value by the costs of remedying the condition because the prospective purchaser of such a parcel will, upon becoming the owner of such parcel, become obligated to remedy the condition just as the seller of such a parcel is.

### **Loss of Tax Exemption**

As discussed under the heading “CONCLUDING INFORMATION — Tax Matters,” the interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of a failure of the City to comply with certain provisions of the Internal Revenue Code of 1986, as amended, or a change in legislation. Legislative changes have been proposed in Congress, which, if enacted, would result in additional federal income tax being imposed on certain owners of tax-exempt state or local obligations, such as the Bonds. The introduction or enactment of any of such changes could adversely affect the market value or liquidity of the Bonds. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the redemption provisions of the Indenture.

### **No Acceleration Provision**

The Bonds do not contain a provision allowing for their acceleration in the event of a payment default or other default under the Bonds or the Indenture.

### **Limited Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the City has committed to provide certain statutorily-required financial and operating information, there can be no assurance that such information will be available to Bondowners on a timely basis. The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

### **Future Debt Issuance**

The ability of an owner of land within the Assessment District to pay the Reassessment Installments could be affected by the existence of other taxes and assessments imposed upon taxable parcels. In addition, the City and other public agencies whose boundaries overlap those of the Assessment District could impose additional taxes or assessment liens on the property within the Assessment District in order to finance public improvements or services to be located or provided inside of or outside of such area. The lien created on the property within the Assessment District through the levy of such additional taxes may be on a parity with the lien of the assessments levied by the City. See “THE ASSESSMENT DISTRICT — Direct and Overlapping Indebtedness” herein.



The imposition of additional liens on a parity with the Reassessments may reduce the ability or willingness of the landowners to pay the Reassessment Installments and increase the possibility that foreclosure proceeds will not be adequate to pay delinquent Reassessment Installments.

**The City does not have control over the ability of other entities and districts to issue indebtedness secured by special taxes, *ad valorem* taxes or assessments payable from all or a portion of the property within the Assessment District. In addition, the landowners within the Assessment District may, without the consent or knowledge of the City, petition other public agencies to issue public indebtedness secured by special taxes, *ad valorem* taxes or assessments. Any such special taxes, *ad valorem* taxes or assessments could reduce the estimated value-to-lien ratios for property within the Assessment District described herein.**

### **Ballot Initiatives**

From time to time constitutional initiatives or other initiative measures may be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations, or on the ability of the landowners to complete their developments.

## **CONCLUDING INFORMATION**

### **Continuing Disclosure**

Pursuant to a Continuing Disclosure Certificate (the “Disclosure Certificate”), the City will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) website, or other repository authorized under Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (the “Rule), certain annual financial information and operating data concerning the Assessment District. The Annual Report to be filed by the City is to be filed not later than April 1 of each year, beginning April 1, 2014, and is to include audited financial statements of the City. The requirement that the City file its audited financial statements as a part of the Annual Report has been included in the Disclosure Certificate solely to satisfy the provisions of Rule 15c2-12. The inclusion of this information does not mean that the Bonds are secured by any resources or property of the City other than the Reassessments and the Reassessment Installments. The full text of the Disclosure Certificate is set forth in APPENDIX E — “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Notwithstanding any provision of the Indenture, failure of the City to comply with the Disclosure Certificate shall not be considered an event of default under the Indenture. However, any holder of the Bonds may take such action as is necessary and appropriate, including seeking mandate or a judgment for specific performance, to cause the City to comply with its obligations with respect to the Disclosure Certificate.

The City is party to a number of continuing disclosure undertakings pursuant to the Rule with respect to securities secured by the City’s General Fund, Sewer Utility Fund and Water Utility Fund, as well as for the Assessment District’s 2004 Bonds. During the last five calendar years, there was one instance in which the City failed to comply in all material respects with its previous undertakings. The portion of the annual report for the Assessment District for fiscal year 2009-10 was filed on time, but the report was incomplete due to the unavailability of the City’s audited financial statements for fiscal year 2009-10. The other reports to be filed by the City for fiscal year 2009-10 were not filed timely due to the unavailability of the City’s financial statements. The delay in releasing the audited financial statements for fiscal year 2009-10 was principally due to the implementation of a new accounting reporting system for the City. The City filed its audited financial statements for fiscal year 2009-10 on October 20, 2011 which completed the annual report for the Assessment District and provided its remaining annual reports in November 2011, approximately seven months following the respective annual reporting dates under its continuing disclosure undertakings. The City timely filed its

audited financial statements and annual reports for fiscal years 2010-11 and 2011-12. The City is currently in compliance with all previous continuing disclosure undertakings.

On November 5, 2007, the City submitted a voluntary Report of Information (the "Report") to the repositories referenced in the continuing disclosure undertaking with respect to the 2004 Bonds. The Report described that a 38-day delay occurred in the mandatory sinking fund redemption of \$20,000 that was to have been made on September 4, 2007. Although the property owners had paid assessment installments in an amount sufficient to make the redemption and the City had provided the moneys to the trustee for the 2004 Bonds sufficient to make a timely sinking fund redemption payment, the Trustee failed to timely send a notice of redemption to effect the redemption on September 4, 2007. Subsequent to September 4, 2007, the trustee for the 2004 Bonds issued a notice of redemption, and the required sinking fund redemption for \$20,000 of 2004 Bonds occurred on October 12, 2007, including accrued interest through October 11, 2007. The Trustee has advised the City that it has initiated new procedures to avoid a recurrence of this situation. Since October 11, 2007, all payments with respect to the 2004 Bonds have been paid when due.

### **Legal Opinion**

Certain proceedings in connection with the issuance of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel ("Bond Counsel"). The opinion of Bond Counsel attesting to the validity of the Bonds will be delivered with each Bond. A form of the opinion to be delivered by Bond Counsel is set forth in Appendix D hereto.

Certain legal matters will be passed upon for the City by the City Attorney and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Nossaman LLP, Irvine, California.

### **Tax Matters**

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of such corporations.

In the opinion of Bond Counsel, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity of such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Beneficial Owner will increase the Beneficial Owner's basis in the applicable Bond. The amount of original issue discount that accrues to the Beneficial Owner of the Bonds is excluded from the gross income of such Beneficial Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest on the Bonds (including any original issue discount) is based upon certain representations of fact and certifications made by the City, the Underwriters and others and is subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds to assure that interest on the Bonds (including any original

issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Bonds (including any original issue discount) to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City will covenant to comply with all such requirements.

The amount by which a Beneficial Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Beneficial Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Beneficial Owner realizing a taxable gain when a Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Beneficial Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE EXECUTION AND DELIVERY OF THE BONDS, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE INTEREST ON THE BONDS OR THE MARKET VALUE OF THE BONDS. LEGISLATIVE CHANGES HAVE BEEN PROPOSED IN CONGRESS, WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME TAX BEING IMPOSED ON CERTAIN OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THE INTRODUCTION OR ENACTMENT OF ANY OF SUCH CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT, SUBSEQUENT TO THE EXECUTION AND DELIVERY OF THE BONDS, SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinion may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Bond Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel will render an opinion that interest on the Bonds (including any original issue discount) is excluded from gross income for federal income tax purposes provided that the City continues to comply with certain requirements of the Code, the accrual or receipt of interest on the Bonds (including any original issue discount) may otherwise affect the tax liability of the recipient. Bond Counsel expresses no

opinion regarding any such tax consequences. Accordingly, all potential purchasers should consult their tax advisors before purchasing any of the Bonds.

Should interest on the Bonds (including any original issue discount) become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Bond Indenture.

The proposed form of Bond Counsel's opinion with respect to the Bonds is attached as Appendix D.

### **Litigation**

There is no action, suit, or proceeding known by the City to be pending at the present time restraining or enjoining the delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the execution or delivery thereof. A no litigation certificate executed by the City will be required to be delivered to the Underwriters with respect to these matters simultaneously with the delivery of the Bonds.

### **Financial Interests**

The fees being paid to the Financial Advisor, Reassessment Engineer, Underwriters, Bond Counsel, Disclosure Counsel and Underwriters' Counsel are contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel represents each of the Underwriters on matters unrelated to the Bonds.

### **No Rating**

The City has not applied to and does not contemplate applying to any bond rating agency for the assignment of a rating on the Bonds.

### **Underwriting**

The Bonds are being purchased by the Underwriters. The Underwriters have agreed to purchase the Bonds at a price of \$3,973,694.42 (\$3,830,000 par value, plus original issue premium in the amount of \$173,462.95 and less an Underwriters' discount of \$29,768.53). The Bond Purchase Agreement relating to the Bonds provides that the Underwriters will purchase all of the Bonds if any are purchased, the obligation to make such 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 Bonds to certain dealers and others at prices lower than the offering prices stated on the inside front cover page hereof. The offering prices may be changed from time to time by the Underwriters.

### **Miscellaneous**

All quotations from, and summaries and explanations of, the Indenture, the Continuing Disclosure Certificate and other statutes and documents contained herein do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions.

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

The execution and delivery of this Official Statement have been authorized by the City.

**CITY OF SAN DIEGO**

By: /s/ Greg Bych  
Interim Chief Financial Officer

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**APPENDIX A**  
**REASSESSMENT REPORT**



**City of San Diego**  
**Final Reassessment Report**  
**Assessment District No. 4096 (Piper Ranch)**  
**June 18, 2013**

**Main Office**  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
Toll free: 800.676.7516 Fax: 951.296.1998

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870 Market Street, Suite 1223  
San Francisco, CA 94102  
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## **REASSESSMENT**

WHEREAS, on June 4, 2013, the City Council of the City of San Diego (the "Agency"), pursuant to the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds (the "Act"), adopted Resolution No. R-308238 (the "Resolution of Intention") declaring its intention to refund the outstanding bonds (the "Prior Bonds") of Assessment District No. 4096 (Piper Ranch) (the "District") and to levy reassessments on the property within the District as security for the refunding bonds;

WHEREAS, the Resolution of Intention directed the undersigned to make and file a report presenting the following:

- a schedule setting forth the unpaid principal and interest of the Prior Bonds to be refunded and the total amounts thereof
- the total estimated principal amount of the reassessment and of the refunding bonds and the maximum interest thereon, together with an estimate of the cost of the reassessment and of issuing the refunding bonds
- the auditor's record showing the schedule of principal installments and interest on all unpaid original assessments and the total amounts thereof
- the estimated amount of each reassessment, identified by reassessment number corresponding to the reassessment number diagram
- a proposed auditor's record for the reassessment
- reassessment diagram showing the District and the boundaries and dimensions of the subdivisions of land within the District. Each subdivision, including separate condominium interest as defined in Section 783 of the Civil Code, shall be given a separate number upon the diagram to which Resolution reference is hereby made for further particulars;

NOW THEREFORE, the undersigned by virtue of the authorization provided in the Resolution of Intention has prepared this report regarding the reassessment to be levied pursuant to the Act on property within the District to accomplish the refunding of the Prior Bonds and which will be security for the refunding bonds.

The amounts to be paid for said refunding, together with the expenses incidental thereto, and the reassessment balance are set forth herein.

And I do hereby reassess and apportion the total amount of the cost and expenses of said reassessment and refunding upon the several lots, pieces or parcels or portions of lots or subdivisions of land liable therefore and benefited thereby, and hereinafter numbered to correspond with the numbers upon the attached diagram, upon each thereof, severally and respectively, as more particularly set forth in the reassessment roll attached and by reference made a part hereof.

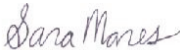
As required by the Act, a diagram hereto attached shows the District and also the boundaries and dimensions of the respective subdivisions of land within the District as the same existed at the time of the passage of the Resolution of Intention, each of which subdivisions having been given a separate number upon said diagram.

Said reassessment is made upon the several subdivisions of land within the District in proportion to the unpaid principal amount of the original assessment recorded as a lien against each said subdivisions of land. The assessment identification numbers set forth in the Reassessment Roll and elsewhere herein are the identifying numbers of the parcels of land within the District as they appear on the Reassessment Diagram.

Each subdivision of land reassessed is described in the Reassessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of San Diego for fiscal year 2012/13 and includes all such parcels. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

Notice is hereby given that refunding bonds to represent unpaid reassessments and bear interest at the rate of not to exceed six percent (6%) in aggregate, will be issued thereunder in the manner provided by Chapter 3 of Division 11.5 of the Streets and Highways Code, the Refunding Act of 1984 for 1915 Improvement Act Bonds, and the last installment of such refunding bonds shall mature not later than September 2, 2033.

Dated as of June 18, 2013



Sara Mares, NBS

## **SOURCES AND USES OF FUNDS**

**SOURCES:**

|   |                       |
|---|-----------------------|
| Bond Proceeds:                            |                       |
| Principal Amount of Bonds                 | \$3,830,000.00        |
| Original Issue Premium                    | <u>173,462.95</u>     |
|   | 4,003,462.95          |
|   |                       |
| Other Sources of Funds                    |                       |
| Prior Debt Service Reserve Fund           | 341,280.52            |
| Prior Principal and Interest due 9/2/2013 | 223,041.25            |
| Other Available Funds                     | <u>56,460.85</u>      |
|   | 620,782.62            |
|   |                       |
| <b>TOTAL SOURCES</b>                      | <b>\$4,624,245.57</b> |

**USES:**

|                            |                       |
|----------------------------|-----------------------|
| Refunding Escrow Deposits: |                       |
| Cash Deposit               | \$4,058,041.25        |
|                            |                       |
| Other Fund Deposits:       |                       |
| Debt Service Reserve Fund  | 322,287.50            |
|                            |                       |
| Delivery Date Expenses:    |                       |
| Costs of Issuance          | 210,000.00            |
| Underwriter's Discount     | <u>29,768.53</u>      |
|                            | 239,768.53            |
|                            |                       |
| Other Uses of Funds:       |                       |
| Additional Proceeds        | 4,148.29              |
|                            |                       |
| <b>TOTAL USES</b>          | <b>\$4,624,245.57</b> |

## DEBT SERVICE SCHEDULES

### Refunded Bonds Original Debt Service Schedule

Serial and Term Bonds

| Payment Date  | Interest Rate | Principal             | Interest              | Semi-Annual Payment   | Total                 |
|---------------|---------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 3/2/2014      |               |                       | \$102,426.25          | \$102,426.25          |                       |
| 9/2/2014      | 5.000%        | \$95,000.00           | 102,426.25            | 197,426.25            | \$299,852.50          |
| 3/2/2015      |               |                       | 100,051.25            | 100,051.25            |                       |
| 9/2/2015      | 5.200%        | 100,000.00            | 100,051.25            | 200,051.25            | 300,102.50            |
| 3/2/2016      |               |                       | 97,451.25             | 97,451.25             |                       |
| 9/2/2016      | 5.350%        | 105,000.00            | 97,451.25             | 202,451.25            | 299,902.50            |
| 3/2/2017      |               |                       | 94,642.50             | 94,642.50             |                       |
| 9/2/2017      | 5.500%        | 115,000.00            | 94,642.50             | 209,642.50            | 304,285.00            |
| 3/2/2018      |               |                       | 91,480.00             | 91,480.00             |                       |
| 9/2/2018      | 5.600%        | 120,000.00            | 91,480.00             | 211,480.00            | 302,960.00            |
| 3/2/2019      |               |                       | 88,120.00             | 88,120.00             |                       |
| 9/2/2019      | 5.700%        | 125,000.00            | 88,120.00             | 213,120.00            | 301,240.00            |
| 3/2/2020      |               |                       | 84,557.50             | 84,557.50             |                       |
| 9/2/2020      | 5.800%        | 130,000.00            | 84,557.50             | 214,557.50            | 299,115.00            |
| 3/2/2021      |               |                       | 80,787.50             | 80,787.50             |                       |
| 9/2/2021      | 5.900%        | 140,000.00            | 80,787.50             | 220,787.50            | 301,575.00            |
| 3/2/2022      |               |                       | 76,657.50             | 76,657.50             |                       |
| 9/2/2022      | 6.000%        | 150,000.00            | 76,657.50             | 226,657.50            | 303,315.00            |
| 3/2/2023      |               |                       | 72,157.50             | 72,157.50             |                       |
| 9/2/2023      | 6.000%        | 155,000.00            | 72,157.50             | 227,157.50            | 299,315.00            |
| 3/2/2024      |               |                       | 67,507.50             | 67,507.50             |                       |
| 9/2/2024      | 6.100%        | 165,000.00            | 67,507.50             | 232,507.50            | 300,015.00            |
| 3/2/2025      |               |                       | 62,475.00             | 62,475.00             |                       |
| 9/2/2025      | 6.125%        | 175,000.00            | 62,475.00             | 237,475.00            | 299,950.00            |
| 3/2/2026      |               |                       | 57,115.63             | 57,115.63             |                       |
| 9/2/2026      | 6.125%        | 185,000.00            | 57,115.63             | 242,115.63            | 299,231.25            |
| 3/2/2027      |               |                       | 51,450.00             | 51,450.00             |                       |
| 9/2/2027      | 6.125%        | 200,000.00            | 51,450.00             | 251,450.00            | 302,900.00            |
| 3/2/2028      |               |                       | 45,325.00             | 45,325.00             |                       |
| 9/2/2028      | 6.125%        | 210,000.00            | 45,325.00             | 255,325.00            | 300,650.00            |
| 3/2/2029      |               |                       | 38,893.75             | 38,893.75             |                       |
| 9/2/2029      | 6.125%        | 225,000.00            | 38,893.75             | 263,893.75            | 302,787.50            |
| 3/2/2030      |               |                       | 32,003.13             | 32,003.13             |                       |
| 9/2/2030      | 6.125%        | 240,000.00            | 32,003.13             | 272,003.13            | 304,006.25            |
| 3/2/2031      |               |                       | 24,653.13             | 24,653.13             |                       |
| 9/2/2031      | 6.125%        | 250,000.00            | 24,653.13             | 274,653.13            | 299,306.25            |
| 3/2/2032      |               |                       | 16,996.88             | 16,996.88             |                       |
| 9/2/2032      | 6.125%        | 270,000.00            | 16,996.88             | 286,996.88            | 303,993.75            |
| 3/2/2033      |               |                       | 8,728.13              | 8,728.13              |                       |
| 9/2/2033      | 6.125%        | 285,000.00            | 8,728.13              | 293,728.13            | 302,456.25            |
| <b>Totals</b> |               | <b>\$3,440,000.00</b> | <b>\$2,586,958.75</b> | <b>\$6,026,958.75</b> | <b>\$6,026,958.75</b> |

### Refunded Bonds Original Debt Service Schedule

Special Term Bond

| Payment Date  | Interest Rate | Principal             | Interest            | Semi-Annual Payment   | Total                 |
|---------------|---------------|-----------------------|---------------------|-----------------------|-----------------------|
| 3/2/2014      |               |                       | \$33,635.00         | \$33,635.00           |                       |
| 9/2/2014      | 6.200%        | \$30,000.00           | 33,635.00           | 63,635.00             | \$97,270.00           |
| 3/2/2015      |               |                       | 32,705.00           | 32,705.00             |                       |
| 9/2/2015      | 6.200%        | 30,000.00             | 32,705.00           | 62,705.00             | 95,410.00             |
| 3/2/2016      |               |                       | 31,775.00           | 31,775.00             |                       |
| 9/2/2016      | 6.200%        | 35,000.00             | 31,775.00           | 66,775.00             | 98,550.00             |
| 3/2/2017      |               |                       | 30,690.00           | 30,690.00             |                       |
| 9/2/2017      | 6.200%        | 35,000.00             | 30,690.00           | 65,690.00             | 96,380.00             |
| 3/2/2018      |               |                       | 29,605.00           | 29,605.00             |                       |
| 9/2/2018      | 6.200%        | 35,000.00             | 29,605.00           | 64,605.00             | 94,210.00             |
| 3/2/2019      |               |                       | 28,520.00           | 28,520.00             |                       |
| 9/2/2019      | 6.200%        | 40,000.00             | 28,520.00           | 68,520.00             | 97,040.00             |
| 3/2/2020      |               |                       | 27,280.00           | 27,280.00             |                       |
| 9/2/2020      | 6.200%        | 40,000.00             | 27,280.00           | 67,280.00             | 94,560.00             |
| 3/2/2021      |               |                       | 26,040.00           | 26,040.00             |                       |
| 9/2/2021      | 6.200%        | 45,000.00             | 26,040.00           | 71,040.00             | 97,080.00             |
| 3/2/2022      |               |                       | 24,645.00           | 24,645.00             |                       |
| 9/2/2022      | 6.200%        | 45,000.00             | 24,645.00           | 69,645.00             | 94,290.00             |
| 3/2/2023      |               |                       | 23,250.00           | 23,250.00             |                       |
| 9/2/2023      | 6.200%        | 50,000.00             | 23,250.00           | 73,250.00             | 96,500.00             |
| 3/2/2024      |               |                       | 21,700.00           | 21,700.00             |                       |
| 9/2/2024      | 6.200%        | 55,000.00             | 21,700.00           | 76,700.00             | 98,400.00             |
| 3/2/2025      |               |                       | 19,995.00           | 19,995.00             |                       |
| 9/2/2025      | 6.200%        | 55,000.00             | 19,995.00           | 74,995.00             | 94,990.00             |
| 3/2/2026      |               |                       | 18,290.00           | 18,290.00             |                       |
| 9/2/2026      | 6.200%        | 60,000.00             | 18,290.00           | 78,290.00             | 96,580.00             |
| 3/2/2027      |               |                       | 16,430.00           | 16,430.00             |                       |
| 9/2/2027      | 6.200%        | 65,000.00             | 16,430.00           | 81,430.00             | 97,860.00             |
| 3/2/2028      |               |                       | 14,415.00           | 14,415.00             |                       |
| 9/2/2028      | 6.200%        | 65,000.00             | 14,415.00           | 79,415.00             | 93,830.00             |
| 3/2/2029      |               |                       | 12,400.00           | 12,400.00             |                       |
| 9/2/2029      | 6.200%        | 70,000.00             | 12,400.00           | 82,400.00             | 94,800.00             |
| 3/2/2030      |               |                       | 10,230.00           | 10,230.00             |                       |
| 9/2/2030      | 6.200%        | 75,000.00             | 10,230.00           | 85,230.00             | 95,460.00             |
| 3/2/2031      |               |                       | 7,905.00            | 7,905.00              |                       |
| 9/2/2031      | 6.200%        | 80,000.00             | 7,905.00            | 87,905.00             | 95,810.00             |
| 3/2/2032      |               |                       | 5,425.00            | 5,425.00              |                       |
| 9/2/2032      | 6.200%        | 85,000.00             | 5,425.00            | 90,425.00             | 95,850.00             |
| 3/2/2033      |               |                       | 2,790.00            | 2,790.00              |                       |
| 9/2/2033      | 6.200%        | 90,000.00             | 2,790.00            | 92,790.00             | 95,580.00             |
| <b>Totals</b> |               | <b>\$1,085,000.00</b> | <b>\$835,450.00</b> | <b>\$1,920,450.00</b> | <b>\$1,920,450.00</b> |

### Refunded Bonds Original Debt Service Schedule

Serial, Term and Special Term Bonds Combined

| Payment Date  | Principal             | Interest              | Semi-Annual Payment   | Total                 |
|---------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 3/2/2014      |                       | \$136,061.25          | \$136,061.25          |                       |
| 9/2/2014      | \$125,000.00          | 136,061.25            | 261,061.25            | \$397,122.50          |
| 3/2/2015      |                       | 132,756.25            | 132,756.25            |                       |
| 9/2/2015      | 130,000.00            | 132,756.25            | 262,756.25            | 395,512.50            |
| 3/2/2016      |                       | 129,226.25            | 129,226.25            |                       |
| 9/2/2016      | 140,000.00            | 129,226.25            | 269,226.25            | 398,452.50            |
| 3/2/2017      |                       | 125,332.50            | 125,332.50            |                       |
| 9/2/2017      | 150,000.00            | 125,332.50            | 275,332.50            | 400,665.00            |
| 3/2/2018      |                       | 121,085.00            | 121,085.00            |                       |
| 9/2/2018      | 155,000.00            | 121,085.00            | 276,085.00            | 397,170.00            |
| 3/2/2019      |                       | 116,640.00            | 116,640.00            |                       |
| 9/2/2019      | 165,000.00            | 116,640.00            | 281,640.00            | 398,280.00            |
| 3/2/2020      |                       | 111,837.50            | 111,837.50            |                       |
| 9/2/2020      | 170,000.00            | 111,837.50            | 281,837.50            | 393,675.00            |
| 3/2/2021      |                       | 106,827.50            | 106,827.50            |                       |
| 9/2/2021      | 185,000.00            | 106,827.50            | 291,827.50            | 398,655.00            |
| 3/2/2022      |                       | 101,302.50            | 101,302.50            |                       |
| 9/2/2022      | 195,000.00            | 101,302.50            | 296,302.50            | 397,605.00            |
| 3/2/2023      |                       | 95,407.50             | 95,407.50             |                       |
| 9/2/2023      | 205,000.00            | 95,407.50             | 300,407.50            | 395,815.00            |
| 3/2/2024      |                       | 89,207.50             | 89,207.50             |                       |
| 9/2/2024      | 220,000.00            | 89,207.50             | 309,207.50            | 398,415.00            |
| 3/2/2025      |                       | 82,470.00             | 82,470.00             |                       |
| 9/2/2025      | 230,000.00            | 82,470.00             | 312,470.00            | 394,940.00            |
| 3/2/2026      |                       | 75,405.63             | 75,405.63             |                       |
| 9/2/2026      | 245,000.00            | 75,405.63             | 320,405.63            | 395,811.25            |
| 3/2/2027      |                       | 67,880.00             | 67,880.00             |                       |
| 9/2/2027      | 265,000.00            | 67,880.00             | 332,880.00            | 400,760.00            |
| 3/2/2028      |                       | 59,740.00             | 59,740.00             |                       |
| 9/2/2028      | 275,000.00            | 59,740.00             | 334,740.00            | 394,480.00            |
| 3/2/2029      |                       | 51,293.75             | 51,293.75             |                       |
| 9/2/2029      | 295,000.00            | 51,293.75             | 346,293.75            | 397,587.50            |
| 3/2/2030      |                       | 42,233.13             | 42,233.13             |                       |
| 9/2/2030      | 315,000.00            | 42,233.13             | 357,233.13            | 399,466.25            |
| 3/2/2031      |                       | 32,558.13             | 32,558.13             |                       |
| 9/2/2031      | 330,000.00            | 32,558.13             | 362,558.13            | 395,116.25            |
| 3/2/2032      |                       | 22,421.88             | 22,421.88             |                       |
| 9/2/2032      | 355,000.00            | 22,421.88             | 377,421.88            | 399,843.75            |
| 3/2/2033      |                       | 11,518.13             | 11,518.13             |                       |
| 9/2/2033      | 375,000.00            | 11,518.13             | 386,518.13            | 398,036.25            |
| <b>Totals</b> | <b>\$4,525,000.00</b> | <b>\$3,422,408.75</b> | <b>\$7,947,408.75</b> | <b>\$7,947,408.75</b> |

**Refunded Bonds Actual Debt Service Schedule net of all Bondcalls**  
Serial and Term Bonds

| Payment Date  | Interest Rate | Principal             | Interest              | Semi-Annual Payment   | Total                 |
|---------------|---------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 3/2/2014      |               |                       | \$88,646.25           | \$88,646.25           |                       |
| 9/2/2014      | 5.000%        | \$80,000.00           | 88,646.25             | 168,646.25            | \$257,292.50          |
| 3/2/2015      |               |                       | 86,646.25             | 86,646.25             |                       |
| 9/2/2015      | 5.200%        | 85,000.00             | 86,646.25             | 171,646.25            | 258,292.50            |
| 3/2/2016      |               |                       | 84,436.25             | 84,436.25             |                       |
| 9/2/2016      | 5.350%        | 90,000.00             | 84,436.25             | 174,436.25            | 258,872.50            |
| 3/2/2017      |               |                       | 82,028.75             | 82,028.75             |                       |
| 9/2/2017      | 5.500%        | 95,000.00             | 82,028.75             | 177,028.75            | 259,057.50            |
| 3/2/2018      |               |                       | 79,416.25             | 79,416.25             |                       |
| 9/2/2018      | 5.600%        | 100,000.00            | 79,416.25             | 179,416.25            | 258,832.50            |
| 3/2/2019      |               |                       | 76,616.25             | 76,616.25             |                       |
| 9/2/2019      | 5.700%        | 105,000.00            | 76,616.25             | 181,616.25            | 258,232.50            |
| 3/2/2020      |               |                       | 73,623.75             | 73,623.75             |                       |
| 9/2/2020      | 5.800%        | 110,000.00            | 73,623.75             | 183,623.75            | 257,247.50            |
| 3/2/2021      |               |                       | 70,433.75             | 70,433.75             |                       |
| 9/2/2021      | 5.900%        | 115,000.00            | 70,433.75             | 185,433.75            | 255,867.50            |
| 3/2/2022      |               |                       | 67,041.25             | 67,041.25             |                       |
| 9/2/2022      | 6.000%        | 125,000.00            | 67,041.25             | 192,041.25            | 259,082.50            |
| 3/2/2023      |               |                       | 63,291.25             | 63,291.25             |                       |
| 9/2/2023      | 6.000%        | 135,000.00            | 63,291.25             | 198,291.25            | 261,582.50            |
| 3/2/2024      |               |                       | 59,241.25             | 59,241.25             |                       |
| 9/2/2024      | 6.100%        | 145,000.00            | 59,241.25             | 204,241.25            | 263,482.50            |
| 3/2/2025      |               |                       | 54,818.75             | 54,818.75             |                       |
| 9/2/2025      | 6.125%        | 155,000.00            | 54,818.75             | 209,818.75            | 264,637.50            |
| 3/2/2026      |               |                       | 50,071.88             | 50,071.88             |                       |
| 9/2/2026      | 6.125%        | 165,000.00            | 50,071.88             | 215,071.88            | 265,143.75            |
| 3/2/2027      |               |                       | 45,018.75             | 45,018.75             |                       |
| 9/2/2027      | 6.125%        | 175,000.00            | 45,018.75             | 220,018.75            | 265,037.50            |
| 3/2/2028      |               |                       | 39,659.38             | 39,659.38             |                       |
| 9/2/2028      | 6.125%        | 185,000.00            | 39,659.38             | 224,659.38            | 264,318.75            |
| 3/2/2029      |               |                       | 33,993.75             | 33,993.75             |                       |
| 9/2/2029      | 6.125%        | 195,000.00            | 33,993.75             | 228,993.75            | 262,987.50            |
| 3/2/2030      |               |                       | 28,021.88             | 28,021.88             |                       |
| 9/2/2030      | 6.125%        | 210,000.00            | 28,021.88             | 238,021.88            | 266,043.75            |
| 3/2/2031      |               |                       | 21,590.63             | 21,590.63             |                       |
| 9/2/2031      | 6.125%        | 220,000.00            | 21,590.63             | 241,590.63            | 263,181.25            |
| 3/2/2032      |               |                       | 14,853.13             | 14,853.13             |                       |
| 9/2/2032      | 6.125%        | 235,000.00            | 14,853.13             | 249,853.13            | 264,706.25            |
| 3/2/2033      |               |                       | 7,656.25              | 7,656.25              |                       |
| 9/2/2033      | 6.125%        | 250,000.00            | 7,656.25              | 257,656.25            | 265,312.50            |
| <b>Totals</b> |               | <b>\$2,975,000.00</b> | <b>\$2,254,211.25</b> | <b>\$5,229,211.25</b> | <b>\$5,229,211.25</b> |

**Refunded Bonds Actual Debt Service Schedule net of all Bondcalls**  
Special Term Bond

| Payment Date  | Interest Rate | Principal           | Interest            | Semi-Annual Payment   | Total                 |
|---------------|---------------|---------------------|---------------------|-----------------------|-----------------------|
| 3/2/2014      |               |                     | \$26,660.00         | \$26,660.00           |                       |
| 9/2/2014      | 6.200%        | \$25,000.00         | 26,660.00           | 51,660.00             | \$78,320.00           |
| 3/2/2015      |               |                     | 25,885.00           | 25,885.00             |                       |
| 9/2/2015      | 6.200%        | 25,000.00           | 25,885.00           | 50,885.00             | 76,770.00             |
| 3/2/2016      |               |                     | 25,110.00           | 25,110.00             |                       |
| 9/2/2016      | 6.200%        | 30,000.00           | 25,110.00           | 55,110.00             | 80,220.00             |
| 3/2/2017      |               |                     | 24,180.00           | 24,180.00             |                       |
| 9/2/2017      | 6.200%        | 30,000.00           | 24,180.00           | 54,180.00             | 78,360.00             |
| 3/2/2018      |               |                     | 23,250.00           | 23,250.00             |                       |
| 9/2/2018      | 6.200%        | 30,000.00           | 23,250.00           | 53,250.00             | 76,500.00             |
| 3/2/2019      |               |                     | 22,320.00           | 22,320.00             |                       |
| 9/2/2019      | 6.200%        | 35,000.00           | 22,320.00           | 57,320.00             | 79,640.00             |
| 3/2/2020      |               |                     | 21,235.00           | 21,235.00             |                       |
| 9/2/2020      | 6.200%        | 35,000.00           | 21,235.00           | 56,235.00             | 77,470.00             |
| 3/2/2021      |               |                     | 20,150.00           | 20,150.00             |                       |
| 9/2/2021      | 6.200%        | 40,000.00           | 20,150.00           | 60,150.00             | 80,300.00             |
| 3/2/2022      |               |                     | 18,910.00           | 18,910.00             |                       |
| 9/2/2022      | 6.200%        | 40,000.00           | 18,910.00           | 58,910.00             | 77,820.00             |
| 3/2/2023      |               |                     | 17,670.00           | 17,670.00             |                       |
| 9/2/2023      | 6.200%        | 40,000.00           | 17,670.00           | 57,670.00             | 75,340.00             |
| 3/2/2024      |               |                     | 16,430.00           | 16,430.00             |                       |
| 9/2/2024      | 6.200%        | 40,000.00           | 16,430.00           | 56,430.00             | 72,860.00             |
| 3/2/2025      |               |                     | 15,190.00           | 15,190.00             |                       |
| 9/2/2025      | 6.200%        | 40,000.00           | 15,190.00           | 55,190.00             | 70,380.00             |
| 3/2/2026      |               |                     | 13,950.00           | 13,950.00             |                       |
| 9/2/2026      | 6.200%        | 45,000.00           | 13,950.00           | 58,950.00             | 72,900.00             |
| 3/2/2027      |               |                     | 12,555.00           | 12,555.00             |                       |
| 9/2/2027      | 6.200%        | 50,000.00           | 12,555.00           | 62,555.00             | 75,110.00             |
| 3/2/2028      |               |                     | 11,005.00           | 11,005.00             |                       |
| 9/2/2028      | 6.200%        | 50,000.00           | 11,005.00           | 61,005.00             | 72,010.00             |
| 3/2/2029      |               |                     | 9,455.00            | 9,455.00              |                       |
| 9/2/2029      | 6.200%        | 55,000.00           | 9,455.00            | 64,455.00             | 73,910.00             |
| 3/2/2030      |               |                     | 7,750.00            | 7,750.00              |                       |
| 9/2/2030      | 6.200%        | 55,000.00           | 7,750.00            | 62,750.00             | 70,500.00             |
| 3/2/2031      |               |                     | 6,045.00            | 6,045.00              |                       |
| 9/2/2031      | 6.200%        | 60,000.00           | 6,045.00            | 66,045.00             | 72,090.00             |
| 3/2/2032      |               |                     | 4,185.00            | 4,185.00              |                       |
| 9/2/2032      | 6.200%        | 65,000.00           | 4,185.00            | 69,185.00             | 73,370.00             |
| 3/2/2033      |               |                     | 2,170.00            | 2,170.00              |                       |
| 9/2/2033      | 6.200%        | 70,000.00           | 2,170.00            | 72,170.00             | 74,340.00             |
| <b>Totals</b> |               | <b>\$860,000.00</b> | <b>\$648,210.00</b> | <b>\$1,508,210.00</b> | <b>\$1,508,210.00</b> |



**Refunded Bonds Actual Debt Service Schedule net of all Bondcalls**  
 Serial, Term and Special Term Bonds Combined

| <b>Payment Date</b> | <b>Principal</b>      | <b>Interest</b>       | <b>Semi-Annual Payment</b> | <b>Total</b>          |
|---------------------|-----------------------|-----------------------|----------------------------|-----------------------|
| 3/2/2014            |                       | \$115,306.25          | \$115,306.25               |                       |
| 9/2/2014            | \$105,000.00          | 115,306.25            | 220,306.25                 | \$335,612.50          |
| 3/2/2015            |                       | 112,531.25            | 112,531.25                 |                       |
| 9/2/2015            | 110,000.00            | 112,531.25            | 222,531.25                 | 335,062.50            |
| 3/2/2016            |                       | 109,546.25            | 109,546.25                 |                       |
| 9/2/2016            | 120,000.00            | 109,546.25            | 229,546.25                 | 339,092.50            |
| 3/2/2017            |                       | 106,208.75            | 106,208.75                 |                       |
| 9/2/2017            | 125,000.00            | 106,208.75            | 231,208.75                 | 337,417.50            |
| 3/2/2018            |                       | 102,666.25            | 102,666.25                 |                       |
| 9/2/2018            | 130,000.00            | 102,666.25            | 232,666.25                 | 335,332.50            |
| 3/2/2019            |                       | 98,936.25             | 98,936.25                  |                       |
| 9/2/2019            | 140,000.00            | 98,936.25             | 238,936.25                 | 337,872.50            |
| 3/2/2020            |                       | 94,858.75             | 94,858.75                  |                       |
| 9/2/2020            | 145,000.00            | 94,858.75             | 239,858.75                 | 334,717.50            |
| 3/2/2021            |                       | 90,583.75             | 90,583.75                  |                       |
| 9/2/2021            | 155,000.00            | 90,583.75             | 245,583.75                 | 336,167.50            |
| 3/2/2022            |                       | 85,951.25             | 85,951.25                  |                       |
| 9/2/2022            | 165,000.00            | 85,951.25             | 250,951.25                 | 336,902.50            |
| 3/2/2023            |                       | 80,961.25             | 80,961.25                  |                       |
| 9/2/2023            | 175,000.00            | 80,961.25             | 255,961.25                 | 336,922.50            |
| 3/2/2024            |                       | 75,671.25             | 75,671.25                  |                       |
| 9/2/2024            | 185,000.00            | 75,671.25             | 260,671.25                 | 336,342.50            |
| 3/2/2025            |                       | 70,008.75             | 70,008.75                  |                       |
| 9/2/2025            | 195,000.00            | 70,008.75             | 265,008.75                 | 335,017.50            |
| 3/2/2026            |                       | 64,021.88             | 64,021.88                  |                       |
| 9/2/2026            | 210,000.00            | 64,021.88             | 274,021.88                 | 338,043.75            |
| 3/2/2027            |                       | 57,573.75             | 57,573.75                  |                       |
| 9/2/2027            | 225,000.00            | 57,573.75             | 282,573.75                 | 340,147.50            |
| 3/2/2028            |                       | 50,664.38             | 50,664.38                  |                       |
| 9/2/2028            | 235,000.00            | 50,664.38             | 285,664.38                 | 336,328.75            |
| 3/2/2029            |                       | 43,448.75             | 43,448.75                  |                       |
| 9/2/2029            | 250,000.00            | 43,448.75             | 293,448.75                 | 336,897.50            |
| 3/2/2030            |                       | 35,771.88             | 35,771.88                  |                       |
| 9/2/2030            | 265,000.00            | 35,771.88             | 300,771.88                 | 336,543.75            |
| 3/2/2031            |                       | 27,635.63             | 27,635.63                  |                       |
| 9/2/2031            | 280,000.00            | 27,635.63             | 307,635.63                 | 335,271.25            |
| 3/2/2032            |                       | 19,038.13             | 19,038.13                  |                       |
| 9/2/2032            | 300,000.00            | 19,038.13             | 319,038.13                 | 338,076.25            |
| 3/2/2033            |                       | 9,826.25              | 9,826.25                   |                       |
| 9/2/2033            | 320,000.00            | 9,826.25              | 329,826.25                 | 339,652.50            |
| <b>Totals</b>       | <b>\$3,835,000.00</b> | <b>\$2,902,421.25</b> | <b>\$6,737,421.25</b>      | <b>\$6,737,421.25</b> |

**Refunded Parcel's Aggregate Amortization Schedule**

| <b>Payment Date</b> | <b>Principal</b>      | <b>Interest</b>       | <b>Semi-Annual Payment</b> | <b>Total</b>          |
|---------------------|-----------------------|-----------------------|----------------------------|-----------------------|
| 3/2/2014            |                       | \$115,246.13          | \$115,246.13               |                       |
| 9/2/2014            | \$105,877.07          | 115,246.13            | 221,123.20                 | \$336,369.32          |
| 3/2/2015            |                       | 112,446.74            | 112,446.74                 |                       |
| 9/2/2015            | 110,112.15            | 112,446.74            | 222,558.89                 | 335,005.63            |
| 3/2/2016            |                       | 109,456.77            | 109,456.77                 |                       |
| 9/2/2016            | 118,582.32            | 109,456.77            | 228,039.09                 | 337,495.86            |
| 3/2/2017            |                       | 106,158.70            | 106,158.70                 |                       |
| 9/2/2017            | 127,052.48            | 106,158.70            | 233,211.18                 | 339,369.88            |
| 3/2/2018            |                       | 102,561.00            | 102,561.00                 |                       |
| 9/2/2018            | 131,287.56            | 102,561.00            | 233,848.56                 | 336,409.56            |
| 3/2/2019            |                       | 98,796.01             | 98,796.01                  |                       |
| 9/2/2019            | 139,757.73            | 98,796.01             | 238,553.74                 | 337,349.75            |
| 3/2/2020            |                       | 94,728.21             | 94,728.21                  |                       |
| 9/2/2020            | 143,992.81            | 94,728.21             | 238,721.02                 | 333,449.23            |
| 3/2/2021            |                       | 90,484.66             | 90,484.66                  |                       |
| 9/2/2021            | 156,698.06            | 90,484.66             | 247,182.72                 | 337,667.38            |
| 3/2/2022            |                       | 85,804.89             | 85,804.89                  |                       |
| 9/2/2022            | 165,168.22            | 85,804.89             | 250,973.12                 | 336,778.01            |
| 3/2/2023            |                       | 80,811.73             | 80,811.73                  |                       |
| 9/2/2023            | 173,638.39            | 80,811.73             | 254,450.12                 | 335,261.85            |
| 3/2/2024            |                       | 75,560.23             | 75,560.23                  |                       |
| 9/2/2024            | 186,343.64            | 75,560.23             | 261,903.87                 | 337,464.09            |
| 3/2/2025            |                       | 69,853.45             | 69,853.45                  |                       |
| 9/2/2025            | 194,813.80            | 69,853.45             | 264,667.26                 | 334,520.71            |
| 3/2/2026            |                       | 63,869.81             | 63,869.81                  |                       |
| 9/2/2026            | 207,519.05            | 63,869.81             | 271,388.86                 | 335,258.67            |
| 3/2/2027            |                       | 57,495.48             | 57,495.48                  |                       |
| 9/2/2027            | 224,459.38            | 57,495.48             | 281,954.86                 | 339,450.35            |
| 3/2/2028            |                       | 50,600.77             | 50,600.77                  |                       |
| 9/2/2028            | 232,929.55            | 50,600.77             | 283,530.32                 | 334,131.08            |
| 3/2/2029            |                       | 43,446.65             | 43,446.65                  |                       |
| 9/2/2029            | 249,869.88            | 43,446.65             | 293,316.53                 | 336,763.19            |
| 3/2/2030            |                       | 35,772.16             | 35,772.16                  |                       |
| 9/2/2030            | 266,810.21            | 35,772.16             | 302,582.36                 | 338,354.52            |
| 3/2/2031            |                       | 27,577.27             | 27,577.27                  |                       |
| 9/2/2031            | 279,515.46            | 27,577.27             | 307,092.73                 | 334,670.00            |
| 3/2/2032            |                       | 18,991.70             | 18,991.70                  |                       |
| 9/2/2032            | 300,690.87            | 18,991.70             | 319,682.57                 | 338,674.27            |
| 3/2/2033            |                       | 9,756.04              | 9,756.04                   |                       |
| 9/2/2033            | 317,631.20            | 9,756.04              | 327,387.24                 | 337,143.29            |
| <b>Totals</b>       | <b>\$3,832,749.83</b> | <b>\$2,898,836.80</b> | <b>\$6,731,586.63</b>      | <b>\$6,731,586.63</b> |

### Refunding Bonds Original Debt Service Schedule

| Payment Date  | Interest Rate | Principal             | Interest              | Semi-Annual Payment   | Total                 |
|---------------|---------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 3/2/2014      |               |                       | \$130,858.33          | \$130,858.33          |                       |
| 9/2/2014      | 5.000%        | \$80,000.00           | 98,143.75             | 178,143.75            | \$309,002.08          |
| 3/2/2015      |               |                       | 96,143.75             | 96,143.75             |                       |
| 9/2/2015      | 4.000%        | 125,000.00            | 96,143.75             | 221,143.75            | 317,287.50            |
| 3/2/2016      |               |                       | 93,643.75             | 93,643.75             |                       |
| 9/2/2016      | 4.000%        | 135,000.00            | 93,643.75             | 228,643.75            | 322,287.50            |
| 3/2/2017      |               |                       | 90,943.75             | 90,943.75             |                       |
| 9/2/2017      | 4.000%        | 135,000.00            | 90,943.75             | 225,943.75            | 316,887.50            |
| 3/2/2018      |               |                       | 88,243.75             | 88,243.75             |                       |
| 9/2/2018      | 5.000%        | 140,000.00            | 88,243.75             | 228,243.75            | 316,487.50            |
| 3/2/2019      |               |                       | 84,743.75             | 84,743.75             |                       |
| 9/2/2019      | 5.000%        | 150,000.00            | 84,743.75             | 234,743.75            | 319,487.50            |
| 3/2/2020      |               |                       | 80,993.75             | 80,993.75             |                       |
| 9/2/2020      | 5.000%        | 155,000.00            | 80,993.75             | 235,993.75            | 316,987.50            |
| 3/2/2021      |               |                       | 77,118.75             | 77,118.75             |                       |
| 9/2/2021      | 5.000%        | 165,000.00            | 77,118.75             | 242,118.75            | 319,237.50            |
| 3/2/2022      |               |                       | 72,993.75             | 72,993.75             |                       |
| 9/2/2022      | 5.000%        | 170,000.00            | 72,993.75             | 242,993.75            | 315,987.50            |
| 3/2/2023      |               |                       | 68,743.75             | 68,743.75             |                       |
| 9/2/2023      | 5.000%        | 180,000.00            | 68,743.75             | 248,743.75            | 317,487.50            |
| 3/2/2024      |               |                       | 64,243.75             | 64,243.75             |                       |
| 9/2/2024      | 5.000%        | 190,000.00            | 64,243.75             | 254,243.75            | 318,487.50            |
| 3/2/2025      |               |                       | 59,493.75             | 59,493.75             |                       |
| 9/2/2025      | 5.000%        | 195,000.00            | 59,493.75             | 254,493.75            | 313,987.50            |
| 3/2/2026      |               |                       | 54,618.75             | 54,618.75             |                       |
| 9/2/2026      | 5.125%        | 210,000.00            | 54,618.75             | 264,618.75            | 319,237.50            |
| 3/2/2027      |               |                       | 49,237.50             | 49,237.50             |                       |
| 9/2/2027      | 5.125%        | 220,000.00            | 49,237.50             | 269,237.50            | 318,475.00            |
| 3/2/2028      |               |                       | 43,600.00             | 43,600.00             |                       |
| 9/2/2028      | 5.250%        | 230,000.00            | 43,600.00             | 273,600.00            | 317,200.00            |
| 3/2/2029      |               |                       | 37,562.50             | 37,562.50             |                       |
| 9/2/2029      | 5.375%        | 245,000.00            | 37,562.50             | 282,562.50            | 320,125.00            |
| 3/2/2030      |               |                       | 30,978.13             | 30,978.13             |                       |
| 9/2/2030      | 5.375%        | 255,000.00            | 30,978.13             | 285,978.13            | 316,956.25            |
| 3/2/2031      |               |                       | 24,125.00             | 24,125.00             |                       |
| 9/2/2031      | 5.500%        | 265,000.00            | 24,125.00             | 289,125.00            | 313,250.00            |
| 3/2/2032      |               |                       | 16,837.50             | 16,837.50             |                       |
| 9/2/2032      | 5.500%        | 285,000.00            | 16,837.50             | 301,837.50            | 318,675.00            |
| 3/2/2033      |               |                       | 9,000.00              | 9,000.00              |                       |
| 9/2/2033      | 6.000%        | 300,000.00            | 9,000.00              | 309,000.00            | 318,000.00            |
| <b>Totals</b> |               | <b>\$3,830,000.00</b> | <b>\$2,515,533.34</b> | <b>\$6,345,533.34</b> | <b>\$6,345,533.34</b> |

**Comparison of Refunded Parcel's Aggregate Amortization Schedule and Refunding Bonds**

| Payment Date  | Refunded Parcel Aggregate |                       | Refunding Bonds       |                       | Principal         | Savings Interest    | Annual Total        |
|---------------|---------------------------|-----------------------|-----------------------|-----------------------|-------------------|---------------------|---------------------|
|               | Principal                 | Interest              | Principal             | Interest              |                   |                     |                     |
| 3/2/2014      |                           | \$115,246.13          |                       | \$130,858.33          |                   | (\$15,612.20)       |                     |
| 9/2/2014      | \$105,877.07              | 115,246.13            | \$80,000.00           | 98,143.75             | \$25,877.07       | 17,102.38           | \$27,367.24         |
| 3/2/2015      |                           | 112,446.74            |                       | 96,143.75             |                   | 16,302.99           |                     |
| 9/2/2015      | 110,112.15                | 112,446.74            | 125,000.00            | 96,143.75             | (14,887.85)       | 16,302.99           | 17,718.13           |
| 3/2/2016      |                           | 109,456.77            |                       | 93,643.75             |                   | 15,813.02           |                     |
| 9/2/2016      | 118,582.32                | 109,456.77            | 135,000.00            | 93,643.75             | (16,417.68)       | 15,813.02           | 15,208.36           |
| 3/2/2017      |                           | 106,158.70            |                       | 90,943.75             |                   | 15,214.95           |                     |
| 9/2/2017      | 127,052.48                | 106,158.70            | 135,000.00            | 90,943.75             | (7,947.52)        | 15,214.95           | 22,482.38           |
| 3/2/2018      |                           | 102,561.00            |                       | 88,243.75             |                   | 14,317.25           |                     |
| 9/2/2018      | 131,287.56                | 102,561.00            | 140,000.00            | 88,243.75             | (8,712.44)        | 14,317.25           | 19,922.06           |
| 3/2/2019      |                           | 98,796.01             |                       | 84,743.75             |                   | 14,052.26           |                     |
| 9/2/2019      | 139,757.73                | 98,796.01             | 150,000.00            | 84,743.75             | (10,242.27)       | 14,052.26           | 17,862.25           |
| 3/2/2020      |                           | 94,728.21             |                       | 80,993.75             |                   | 13,734.46           |                     |
| 9/2/2020      | 143,992.81                | 94,728.21             | 155,000.00            | 80,993.75             | (11,007.19)       | 13,734.46           | 16,461.73           |
| 3/2/2021      |                           | 90,484.66             |                       | 77,118.75             |                   | 13,365.91           |                     |
| 9/2/2021      | 156,698.06                | 90,484.66             | 165,000.00            | 77,118.75             | (8,301.94)        | 13,365.91           | 18,429.88           |
| 3/2/2022      |                           | 85,804.89             |                       | 72,993.75             |                   | 12,811.14           |                     |
| 9/2/2022      | 165,168.22                | 85,804.89             | 170,000.00            | 72,993.75             | (4,831.78)        | 12,811.14           | 20,790.51           |
| 3/2/2023      |                           | 80,811.73             |                       | 68,743.75             |                   | 12,067.98           |                     |
| 9/2/2023      | 173,638.39                | 80,811.73             | 180,000.00            | 68,743.75             | (6,361.61)        | 12,067.98           | 17,774.35           |
| 3/2/2024      |                           | 75,560.23             |                       | 64,243.75             |                   | 11,316.48           |                     |
| 9/2/2024      | 186,343.64                | 75,560.23             | 190,000.00            | 64,243.75             | (3,656.36)        | 11,316.48           | 18,976.59           |
| 3/2/2025      |                           | 69,853.45             |                       | 59,493.75             |                   | 10,359.70           |                     |
| 9/2/2025      | 194,813.80                | 69,853.45             | 195,000.00            | 59,493.75             | (186.20)          | 10,359.70           | 20,533.21           |
| 3/2/2026      |                           | 63,869.81             |                       | 54,618.75             |                   | 9,251.06            |                     |
| 9/2/2026      | 207,519.05                | 63,869.81             | 210,000.00            | 54,618.75             | (2,480.95)        | 9,251.06            | 16,021.17           |
| 3/2/2027      |                           | 57,495.48             |                       | 49,237.50             |                   | 8,257.98            |                     |
| 9/2/2027      | 224,459.38                | 57,495.48             | 220,000.00            | 49,237.50             | 4,459.38          | 8,257.98            | 20,975.35           |
| 3/2/2028      |                           | 50,600.77             |                       | 43,600.00             |                   | 7,000.77            |                     |
| 9/2/2028      | 232,929.55                | 50,600.77             | 230,000.00            | 43,600.00             | 2,929.55          | 7,000.77            | 16,931.08           |
| 3/2/2029      |                           | 43,446.65             |                       | 37,562.50             |                   | 5,884.15            |                     |
| 9/2/2029      | 249,869.88                | 43,446.65             | 245,000.00            | 37,562.50             | 4,869.88          | 5,884.15            | 16,638.19           |
| 3/2/2030      |                           | 35,772.16             |                       | 30,978.13             |                   | 4,794.03            |                     |
| 9/2/2030      | 266,810.21                | 35,772.16             | 255,000.00            | 30,978.13             | 11,810.21         | 4,794.03            | 21,398.27           |
| 3/2/2031      |                           | 27,577.27             |                       | 24,125.00             |                   | 3,452.27            |                     |
| 9/2/2031      | 279,515.46                | 27,577.27             | 265,000.00            | 24,125.00             | 14,515.46         | 3,452.27            | 21,420.00           |
| 3/2/2032      |                           | 18,991.70             |                       | 16,837.50             |                   | 2,154.20            |                     |
| 9/2/2032      | 300,690.87                | 18,991.70             | 285,000.00            | 16,837.50             | 15,690.87         | 2,154.20            | 19,999.27           |
| 3/2/2033      |                           | 9,756.04              |                       | 9,000.00              |                   | 756.04              |                     |
| 9/2/2033      | 317,631.20                | 9,756.04              | 300,000.00            | 9,000.00              | 17,631.20         | 756.04              | 19,143.29           |
| <b>Totals</b> | <b>\$3,832,749.83</b>     | <b>\$2,898,836.80</b> | <b>\$3,830,000.00</b> | <b>\$2,515,533.34</b> | <b>\$2,749.82</b> | <b>\$383,303.47</b> | <b>\$386,053.30</b> |

## COMPARISON OF AUDITOR'S RECORDS

### Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization

APN: 646-240-49-00

REASSESSMENT NUMBER: 1

| Payment Date  | Refunded Amortization |                     | Refunding Amortization |                     | Savings         |                    | Annual Total       |
|---------------|-----------------------|---------------------|------------------------|---------------------|-----------------|--------------------|--------------------|
|               | Principal             | Interest            | Principal              | Interest            | Principal       | Interest           |                    |
| 3/2/2014      |                       | \$13,002.43         |                        | \$14,763.85         |                 | (\$1,761.42)       |                    |
| 9/2/2014      | \$11,945.38           | 13,002.43           | \$9,025.85             | 11,072.89           | \$2,919.53      | 1,929.54           | \$3,087.65         |
| 3/2/2015      |                       | 12,686.59           |                        | 10,847.24           |                 | 1,839.35           |                    |
| 9/2/2015      | 12,423.20             | 12,686.59           | 14,102.89              | 10,847.24           | (1,679.69)      | 1,839.35           | 1,999.01           |
| 3/2/2016      |                       | 12,349.26           |                        | 10,565.18           |                 | 1,784.08           |                    |
| 9/2/2016      | 13,378.83             | 12,349.26           | 15,231.12              | 10,565.18           | (1,852.29)      | 1,784.08           | 1,715.87           |
| 3/2/2017      |                       | 11,977.16           |                        | 10,260.56           |                 | 1,716.60           |                    |
| 9/2/2017      | 14,334.46             | 11,977.16           | 15,231.12              | 10,260.56           | (896.66)        | 1,716.60           | 2,536.54           |
| 3/2/2018      |                       | 11,571.25           |                        | 9,955.94            |                 | 1,615.31           |                    |
| 9/2/2018      | 14,812.28             | 11,571.25           | 15,795.24              | 9,955.94            | (982.96)        | 1,615.31           | 2,247.66           |
| 3/2/2019      |                       | 11,146.48           |                        | 9,561.06            |                 | 1,585.42           |                    |
| 9/2/2019      | 15,767.91             | 11,146.48           | 16,923.47              | 9,561.06            | (1,155.56)      | 1,585.42           | 2,015.28           |
| 3/2/2020      |                       | 10,687.53           |                        | 9,137.97            |                 | 1,549.56           |                    |
| 9/2/2020      | 16,245.72             | 10,687.53           | 17,487.59              | 9,137.97            | (1,241.87)      | 1,549.56           | 1,857.25           |
| 3/2/2021      |                       | 10,208.76           |                        | 8,700.78            |                 | 1,507.98           |                    |
| 9/2/2021      | 17,679.17             | 10,208.76           | 18,615.82              | 8,700.78            | (936.65)        | 1,507.98           | 2,079.31           |
| 3/2/2022      |                       | 9,680.78            |                        | 8,235.38            |                 | 1,445.40           |                    |
| 9/2/2022      | 18,634.80             | 9,680.78            | 19,179.93              | 8,235.38            | (545.13)        | 1,445.40           | 2,345.67           |
| 3/2/2023      |                       | 9,117.43            |                        | 7,755.89            |                 | 1,361.54           |                    |
| 9/2/2023      | 19,590.43             | 9,117.43            | 20,308.17              | 7,755.89            | (717.74)        | 1,361.54           | 2,005.34           |
| 3/2/2024      |                       | 8,524.94            |                        | 7,248.18            |                 | 1,276.76           |                    |
| 9/2/2024      | 21,023.87             | 8,524.94            | 21,436.40              | 7,248.18            | (412.53)        | 1,276.76           | 2,140.99           |
| 3/2/2025      |                       | 7,881.09            |                        | 6,712.27            |                 | 1,168.82           |                    |
| 9/2/2025      | 21,979.51             | 7,881.09            | 22,000.51              | 6,712.27            | (21.00)         | 1,168.82           | 2,316.64           |
| 3/2/2026      |                       | 7,205.99            |                        | 6,162.26            |                 | 1,043.73           |                    |
| 9/2/2026      | 23,412.95             | 7,205.99            | 23,692.86              | 6,162.26            | (279.91)        | 1,043.73           | 1,807.55           |
| 3/2/2027      |                       | 6,486.82            |                        | 5,555.13            |                 | 931.69             |                    |
| 9/2/2027      | 25,324.21             | 6,486.82            | 24,821.09              | 5,555.13            | 503.12          | 931.69             | 2,366.50           |
| 3/2/2028      |                       | 5,708.94            |                        | 4,919.09            |                 | 789.85             |                    |
| 9/2/2028      | 26,279.84             | 5,708.94            | 25,949.32              | 4,919.09            | 330.52          | 789.85             | 1,910.22           |
| 3/2/2029      |                       | 4,901.79            |                        | 4,237.92            |                 | 663.87             |                    |
| 9/2/2029      | 28,191.10             | 4,901.79            | 27,641.67              | 4,237.92            | 549.43          | 663.87             | 1,877.17           |
| 3/2/2030      |                       | 4,035.93            |                        | 3,495.05            |                 | 540.88             |                    |
| 9/2/2030      | 30,102.37             | 4,035.93            | 28,769.90              | 3,495.05            | 1,332.47        | 540.88             | 2,414.23           |
| 3/2/2031      |                       | 3,111.35            |                        | 2,721.86            |                 | 389.49             |                    |
| 9/2/2031      | 31,535.81             | 3,111.35            | 29,898.13              | 2,721.86            | 1,637.68        | 389.49             | 2,416.66           |
| 3/2/2032      |                       | 2,142.70            |                        | 1,899.66            |                 | 243.04             |                    |
| 9/2/2032      | 33,924.89             | 2,142.70            | 32,154.60              | 1,899.66            | 1,770.29        | 243.04             | 2,256.37           |
| 3/2/2033      |                       | 1,100.71            |                        | 1,015.41            |                 | 85.30              |                    |
| 9/2/2033      | 35,836.15             | 1,100.71            | 33,846.94              | 1,015.41            | 1,989.21        | 85.30              | 2,159.81           |
| <b>Totals</b> | <b>\$432,422.88</b>   | <b>\$327,055.86</b> | <b>\$432,112.63</b>    | <b>\$283,810.40</b> | <b>\$310.26</b> | <b>\$43,245.46</b> | <b>\$43,555.72</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-50-00**

**REASSESSMENT NUMBER: 2**

| Payment Date  | Refunded Amortization |                     | Refunding Amortization |                     | Savings         |                    | Annual Total       |
|---------------|-----------------------|---------------------|------------------------|---------------------|-----------------|--------------------|--------------------|
|               | Principal             | Interest            | Principal              | Interest            | Principal       | Interest           |                    |
| 3/2/2014      |                       | \$10,265.08         |                        | \$11,655.67         |                 | (\$1,390.59)       |                    |
| 9/2/2014      | \$9,430.57            | 10,265.08           | \$7,125.67             | 8,741.75            | \$2,304.90      | 1,523.33           | \$2,437.64         |
| 3/2/2015      |                       | 10,015.73           |                        | 8,563.61            |                 | 1,452.12           |                    |
| 9/2/2015      | 9,807.79              | 10,015.73           | 11,133.86              | 8,563.61            | (1,326.07)      | 1,452.12           | 1,578.17           |
| 3/2/2016      |                       | 9,749.41            |                        | 8,340.93            |                 | 1,408.48           |                    |
| 9/2/2016      | 10,562.23             | 9,749.41            | 12,024.57              | 8,340.93            | (1,462.34)      | 1,408.48           | 1,354.62           |
| 3/2/2017      |                       | 9,455.65            |                        | 8,100.44            |                 | 1,355.21           |                    |
| 9/2/2017      | 11,316.68             | 9,455.65            | 12,024.57              | 8,100.44            | (707.89)        | 1,355.21           | 2,002.53           |
| 3/2/2018      |                       | 9,135.20            |                        | 7,859.95            |                 | 1,275.25           |                    |
| 9/2/2018      | 11,693.90             | 9,135.20            | 12,469.93              | 7,859.95            | (776.03)        | 1,275.25           | 1,774.47           |
| 3/2/2019      |                       | 8,799.85            |                        | 7,548.20            |                 | 1,251.65           |                    |
| 9/2/2019      | 12,448.35             | 8,799.85            | 13,360.63              | 7,548.20            | (912.28)        | 1,251.65           | 1,591.02           |
| 3/2/2020      |                       | 8,437.53            |                        | 7,214.19            |                 | 1,223.34           |                    |
| 9/2/2020      | 12,825.57             | 8,437.53            | 13,805.99              | 7,214.19            | (980.42)        | 1,223.34           | 1,466.26           |
| 3/2/2021      |                       | 8,059.55            |                        | 6,869.04            |                 | 1,190.51           |                    |
| 9/2/2021      | 13,957.24             | 8,059.55            | 14,696.70              | 6,869.04            | (739.46)        | 1,190.51           | 1,641.56           |
| 3/2/2022      |                       | 7,642.72            |                        | 6,501.62            |                 | 1,141.10           |                    |
| 9/2/2022      | 14,711.68             | 7,642.72            | 15,142.05              | 6,501.62            | (430.37)        | 1,141.10           | 1,851.83           |
| 3/2/2023      |                       | 7,197.97            |                        | 6,123.07            |                 | 1,074.90           |                    |
| 9/2/2023      | 15,466.13             | 7,197.97            | 16,032.76              | 6,123.07            | (566.63)        | 1,074.90           | 1,583.17           |
| 3/2/2024      |                       | 6,730.22            |                        | 5,722.25            |                 | 1,007.97           |                    |
| 9/2/2024      | 16,597.80             | 6,730.22            | 16,923.47              | 5,722.25            | (325.67)        | 1,007.97           | 1,690.27           |
| 3/2/2025      |                       | 6,221.91            |                        | 5,299.16            |                 | 922.75             |                    |
| 9/2/2025      | 17,352.24             | 6,221.91            | 17,368.83              | 5,299.16            | (16.59)         | 922.75             | 1,828.91           |
| 3/2/2026      |                       | 5,688.94            |                        | 4,864.94            |                 | 824.00             |                    |
| 9/2/2026      | 18,483.91             | 5,688.94            | 18,704.89              | 4,864.94            | (220.98)        | 824.00             | 1,427.02           |
| 3/2/2027      |                       | 5,121.17            |                        | 4,385.63            |                 | 735.54             |                    |
| 9/2/2027      | 19,992.80             | 5,121.17            | 19,595.60              | 4,385.63            | 397.20          | 735.54             | 1,868.28           |
| 3/2/2028      |                       | 4,507.06            |                        | 3,883.49            |                 | 623.57             |                    |
| 9/2/2028      | 20,747.24             | 4,507.06            | 20,486.31              | 3,883.49            | 260.93          | 623.57             | 1,508.07           |
| 3/2/2029      |                       | 3,869.83            |                        | 3,345.73            |                 | 524.10             |                    |
| 9/2/2029      | 22,256.13             | 3,869.83            | 21,822.37              | 3,345.73            | 433.76          | 524.10             | 1,481.96           |
| 3/2/2030      |                       | 3,186.26            |                        | 2,759.25            |                 | 427.01             |                    |
| 9/2/2030      | 23,765.03             | 3,186.26            | 22,713.08              | 2,759.25            | 1,051.95        | 427.01             | 1,905.97           |
| 3/2/2031      |                       | 2,456.33            |                        | 2,148.84            |                 | 307.49             |                    |
| 9/2/2031      | 24,896.69             | 2,456.33            | 23,603.79              | 2,148.84            | 1,292.90        | 307.49             | 1,907.88           |
| 3/2/2032      |                       | 1,691.61            |                        | 1,499.73            |                 | 191.88             |                    |
| 9/2/2032      | 26,782.81             | 1,691.61            | 25,385.21              | 1,499.73            | 1,397.60        | 191.88             | 1,781.36           |
| 3/2/2033      |                       | 868.98              |                        | 801.64              |                 | 67.34              |                    |
| 9/2/2033      | 28,291.70             | 868.98              | 26,721.27              | 801.64              | 1,570.43        | 67.34              | 1,705.11           |
| <b>Totals</b> | <b>\$341,386.49</b>   | <b>\$258,202.00</b> | <b>\$341,141.55</b>    | <b>\$224,060.84</b> | <b>\$244.94</b> | <b>\$34,141.16</b> | <b>\$34,386.10</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-51-00**

**REASSESSMENT NUMBER: 3**

| Payment Date  | Refunded Amortization |                     | Refunding Amortization |                     | Savings         |                    | Annual Total       |
|---------------|-----------------------|---------------------|------------------------|---------------------|-----------------|--------------------|--------------------|
|               | Principal             | Interest            | Principal              | Interest            | Principal       | Interest           |                    |
| 3/2/2014      |                       | \$12,963.33         |                        | \$14,719.45         |                 | (\$1,756.12)       |                    |
| 9/2/2014      | \$11,909.46           | 12,963.33           | \$8,998.71             | 11,039.58           | \$2,910.75      | 1,923.75           | \$3,078.38         |
| 3/2/2015      |                       | 12,648.44           |                        | 10,814.62           |                 | 1,833.82           |                    |
| 9/2/2015      | 12,385.84             | 12,648.44           | 14,060.48              | 10,814.62           | (1,674.64)      | 1,833.82           | 1,993.00           |
| 3/2/2016      |                       | 12,312.12           |                        | 10,533.41           |                 | 1,778.71           |                    |
| 9/2/2016      | 13,338.59             | 12,312.12           | 15,185.32              | 10,533.41           | (1,846.73)      | 1,778.71           | 1,710.69           |
| 3/2/2017      |                       | 11,941.14           |                        | 10,229.70           |                 | 1,711.44           |                    |
| 9/2/2017      | 14,291.35             | 11,941.14           | 15,185.32              | 10,229.70           | (893.97)        | 1,711.44           | 2,528.91           |
| 3/2/2018      |                       | 11,536.45           |                        | 9,925.99            |                 | 1,610.46           |                    |
| 9/2/2018      | 14,767.73             | 11,536.45           | 15,747.74              | 9,925.99            | (980.01)        | 1,610.46           | 2,240.91           |
| 3/2/2019      |                       | 11,112.95           |                        | 9,532.30            |                 | 1,580.65           |                    |
| 9/2/2019      | 15,720.48             | 11,112.95           | 16,872.57              | 9,532.30            | (1,152.09)      | 1,580.65           | 2,009.21           |
| 3/2/2020      |                       | 10,655.39           |                        | 9,110.49            |                 | 1,544.90           |                    |
| 9/2/2020      | 16,196.86             | 10,655.39           | 17,434.99              | 9,110.49            | (1,238.13)      | 1,544.90           | 1,851.67           |
| 3/2/2021      |                       | 10,178.06           |                        | 8,674.61            |                 | 1,503.45           |                    |
| 9/2/2021      | 17,626.00             | 10,178.06           | 18,559.83              | 8,674.61            | (933.83)        | 1,503.45           | 2,073.07           |
| 3/2/2022      |                       | 9,651.66            |                        | 8,210.62            |                 | 1,441.04           |                    |
| 9/2/2022      | 18,578.75             | 9,651.66            | 19,122.25              | 8,210.62            | (543.50)        | 1,441.04           | 2,338.58           |
| 3/2/2023      |                       | 9,090.01            |                        | 7,732.56            |                 | 1,357.45           |                    |
| 9/2/2023      | 19,531.51             | 9,090.01            | 20,247.09              | 7,732.56            | (715.58)        | 1,357.45           | 1,999.32           |
| 3/2/2024      |                       | 8,499.30            |                        | 7,226.38            |                 | 1,272.92           |                    |
| 9/2/2024      | 20,960.64             | 8,499.30            | 21,371.93              | 7,226.38            | (411.29)        | 1,272.92           | 2,134.55           |
| 3/2/2025      |                       | 7,857.38            |                        | 6,692.08            |                 | 1,165.30           |                    |
| 9/2/2025      | 21,913.40             | 7,857.38            | 21,934.35              | 6,692.08            | (20.95)         | 1,165.30           | 2,309.65           |
| 3/2/2026      |                       | 7,184.32            |                        | 6,143.73            |                 | 1,040.59           |                    |
| 9/2/2026      | 23,342.54             | 7,184.32            | 23,621.60              | 6,143.73            | (279.06)        | 1,040.59           | 1,802.12           |
| 3/2/2027      |                       | 6,467.31            |                        | 5,538.42            |                 | 928.89             |                    |
| 9/2/2027      | 25,248.05             | 6,467.31            | 24,746.44              | 5,538.42            | 501.61          | 928.89             | 2,359.39           |
| 3/2/2028      |                       | 5,691.77            |                        | 4,904.29            |                 | 787.48             |                    |
| 9/2/2028      | 26,200.81             | 5,691.77            | 25,871.28              | 4,904.29            | 329.53          | 787.48             | 1,904.49           |
| 3/2/2029      |                       | 4,887.05            |                        | 4,225.17            |                 | 661.88             |                    |
| 9/2/2029      | 28,106.32             | 4,887.05            | 27,558.54              | 4,225.17            | 547.78          | 661.88             | 1,871.54           |
| 3/2/2030      |                       | 4,023.79            |                        | 3,484.54            |                 | 539.25             |                    |
| 9/2/2030      | 30,011.83             | 4,023.79            | 28,683.37              | 3,484.54            | 1,328.46        | 539.25             | 2,406.96           |
| 3/2/2031      |                       | 3,102.00            |                        | 2,713.67            |                 | 388.33             |                    |
| 9/2/2031      | 31,440.97             | 3,102.00            | 29,808.21              | 2,713.67            | 1,632.76        | 388.33             | 2,409.42           |
| 3/2/2032      |                       | 2,136.26            |                        | 1,893.95            |                 | 242.31             |                    |
| 9/2/2032      | 33,822.86             | 2,136.26            | 32,057.89              | 1,893.95            | 1,764.97        | 242.31             | 2,249.59           |
| 3/2/2033      |                       | 1,097.40            |                        | 1,012.35            |                 | 85.05              |                    |
| 9/2/2033      | 35,728.37             | 1,097.40            | 33,745.15              | 1,012.35            | 1,983.22        | 85.05              | 2,153.32           |
| <b>Totals</b> | <b>\$431,122.36</b>   | <b>\$326,072.26</b> | <b>\$430,813.04</b>    | <b>\$282,956.79</b> | <b>\$309.30</b> | <b>\$43,115.47</b> | <b>\$43,424.77</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-52-00**

**REASSESSMENT NUMBER: 4**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Savings        |                   | Annual Total      |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|-------------------|-------------------|
|               | Principal             | Interest           | Principal              | Interest           | Principal      | Interest          |                   |
| 3/2/2014      |                       | \$1,728.95         |                        | \$1,963.17         |                | (\$234.22)        |                   |
| 9/2/2014      | \$1,588.39            | 1,728.95           | \$1,200.18             | 1,472.38           | \$388.21       | 256.57            | \$410.56          |
| 3/2/2015      |                       | 1,686.95           |                        | 1,442.37           |                | 244.58            |                   |
| 9/2/2015      | 1,651.93              | 1,686.95           | 1,875.28               | 1,442.37           | (223.35)       | 244.58            | 265.81            |
| 3/2/2016      |                       | 1,642.10           |                        | 1,404.87           |                | 237.23            |                   |
| 9/2/2016      | 1,779.00              | 1,642.10           | 2,025.30               | 1,404.87           | (246.30)       | 237.23            | 228.16            |
| 3/2/2017      |                       | 1,592.62           |                        | 1,364.36           |                | 228.26            |                   |
| 9/2/2017      | 1,906.07              | 1,592.62           | 2,025.30               | 1,364.36           | (119.23)       | 228.26            | 337.29            |
| 3/2/2018      |                       | 1,538.64           |                        | 1,323.85           |                | 214.79            |                   |
| 9/2/2018      | 1,969.61              | 1,538.64           | 2,100.31               | 1,323.85           | (130.70)       | 214.79            | 298.88            |
| 3/2/2019      |                       | 1,482.16           |                        | 1,271.35           |                | 210.81            |                   |
| 9/2/2019      | 2,096.68              | 1,482.16           | 2,250.33               | 1,271.35           | (153.65)       | 210.81            | 267.97            |
| 3/2/2020      |                       | 1,421.13           |                        | 1,215.09           |                | 206.04            |                   |
| 9/2/2020      | 2,160.21              | 1,421.13           | 2,325.35               | 1,215.09           | (165.14)       | 206.04            | 246.94            |
| 3/2/2021      |                       | 1,357.47           |                        | 1,156.95           |                | 200.52            |                   |
| 9/2/2021      | 2,350.82              | 1,357.47           | 2,475.37               | 1,156.95           | (124.55)       | 200.52            | 276.49            |
| 3/2/2022      |                       | 1,287.26           |                        | 1,095.07           |                | 192.19            |                   |
| 9/2/2022      | 2,477.89              | 1,287.26           | 2,550.38               | 1,095.07           | (72.49)        | 192.19            | 311.89            |
| 3/2/2023      |                       | 1,212.36           |                        | 1,031.31           |                | 181.05            |                   |
| 9/2/2023      | 2,604.96              | 1,212.36           | 2,700.40               | 1,031.31           | (95.44)        | 181.05            | 266.66            |
| 3/2/2024      |                       | 1,133.57           |                        | 963.80             |                | 169.77            |                   |
| 9/2/2024      | 2,795.57              | 1,133.57           | 2,850.42               | 963.80             | (54.85)        | 169.77            | 284.69            |
| 3/2/2025      |                       | 1,047.96           |                        | 892.54             |                | 155.42            |                   |
| 9/2/2025      | 2,922.64              | 1,047.96           | 2,925.44               | 892.54             | (2.80)         | 155.42            | 308.04            |
| 3/2/2026      |                       | 958.19             |                        | 819.40             |                | 138.79            |                   |
| 9/2/2026      | 3,113.25              | 958.19             | 3,150.47               | 819.40             | (37.22)        | 138.79            | 240.36            |
| 3/2/2027      |                       | 862.56             |                        | 738.67             |                | 123.89            |                   |
| 9/2/2027      | 3,367.39              | 862.56             | 3,300.49               | 738.67             | 66.90          | 123.89            | 314.68            |
| 3/2/2028      |                       | 759.12             |                        | 654.10             |                | 105.02            |                   |
| 9/2/2028      | 3,494.46              | 759.12             | 3,450.51               | 654.10             | 43.95          | 105.02            | 253.99            |
| 3/2/2029      |                       | 651.80             |                        | 563.52             |                | 88.28             |                   |
| 9/2/2029      | 3,748.61              | 651.80             | 3,675.55               | 563.52             | 73.06          | 88.28             | 249.62            |
| 3/2/2030      |                       | 536.66             |                        | 464.74             |                | 71.92             |                   |
| 9/2/2030      | 4,002.75              | 536.66             | 3,825.57               | 464.74             | 177.18         | 71.92             | 321.02            |
| 3/2/2031      |                       | 413.72             |                        | 361.93             |                | 51.79             |                   |
| 9/2/2031      | 4,193.36              | 413.72             | 3,975.59               | 361.93             | 217.77         | 51.79             | 321.35            |
| 3/2/2032      |                       | 284.92             |                        | 252.60             |                | 32.32             |                   |
| 9/2/2032      | 4,511.03              | 284.92             | 4,275.64               | 252.60             | 235.39         | 32.32             | 300.03            |
| 3/2/2033      |                       | 146.36             |                        | 135.02             |                | 11.34             |                   |
| 9/2/2033      | 4,765.18              | 146.36             | 4,500.67               | 135.02             | 264.51         | 11.34             | 287.19            |
| <b>Totals</b> | <b>\$57,499.80</b>    | <b>\$43,489.00</b> | <b>\$57,458.55</b>     | <b>\$37,738.63</b> | <b>\$41.25</b> | <b>\$5,750.37</b> | <b>\$5,791.62</b> |



**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-53-00**

**REASSESSMENT NUMBER: 5**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Savings        |                   | Annual Total      |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|-------------------|-------------------|
|               | Principal             | Interest           | Principal              | Interest           | Principal      | Interest          |                   |
| 3/2/2014      |                       | \$2,043.30         |                        | \$2,320.11         |                | (\$276.81)        |                   |
| 9/2/2014      | \$1,877.19            | 2,043.30           | \$1,418.39             | 1,740.08           | \$458.80       | 303.22            | \$485.21          |
| 3/2/2015      |                       | 1,993.67           |                        | 1,704.62           |                | 289.05            |                   |
| 9/2/2015      | 1,952.28              | 1,993.67           | 2,216.24               | 1,704.62           | (263.96)       | 289.05            | 314.14            |
| 3/2/2016      |                       | 1,940.66           |                        | 1,660.30           |                | 280.36            |                   |
| 9/2/2016      | 2,102.45              | 1,940.66           | 2,393.54               | 1,660.30           | (291.09)       | 280.36            | 269.63            |
| 3/2/2017      |                       | 1,882.18           |                        | 1,612.42           |                | 269.76            |                   |
| 9/2/2017      | 2,252.63              | 1,882.18           | 2,393.54               | 1,612.42           | (140.91)       | 269.76            | 398.61            |
| 3/2/2018      |                       | 1,818.40           |                        | 1,564.55           |                | 253.85            |                   |
| 9/2/2018      | 2,327.72              | 1,818.40           | 2,482.19               | 1,564.55           | (154.47)       | 253.85            | 353.23            |
| 3/2/2019      |                       | 1,751.64           |                        | 1,502.50           |                | 249.14            |                   |
| 9/2/2019      | 2,477.89              | 1,751.64           | 2,659.49               | 1,502.50           | (181.60)       | 249.14            | 316.68            |
| 3/2/2020      |                       | 1,679.52           |                        | 1,436.01           |                | 243.51            |                   |
| 9/2/2020      | 2,552.98              | 1,679.52           | 2,748.14               | 1,436.01           | (195.16)       | 243.51            | 291.86            |
| 3/2/2021      |                       | 1,604.28           |                        | 1,367.31           |                | 236.97            |                   |
| 9/2/2021      | 2,778.24              | 1,604.28           | 2,925.44               | 1,367.31           | (147.20)       | 236.97            | 326.74            |
| 3/2/2022      |                       | 1,521.31           |                        | 1,294.17           |                | 227.14            |                   |
| 9/2/2022      | 2,928.42              | 1,521.31           | 3,014.08               | 1,294.17           | (85.66)        | 227.14            | 368.62            |
| 3/2/2023      |                       | 1,432.78           |                        | 1,218.82           |                | 213.96            |                   |
| 9/2/2023      | 3,078.59              | 1,432.78           | 3,191.38               | 1,218.82           | (112.79)       | 213.96            | 315.13            |
| 3/2/2024      |                       | 1,339.68           |                        | 1,139.04           |                | 200.64            |                   |
| 9/2/2024      | 3,303.86              | 1,339.68           | 3,368.68               | 1,139.04           | (64.82)        | 200.64            | 336.46            |
| 3/2/2025      |                       | 1,238.50           |                        | 1,054.82           |                | 183.68            |                   |
| 9/2/2025      | 3,454.03              | 1,238.50           | 3,457.33               | 1,054.82           | (3.30)         | 183.68            | 364.06            |
| 3/2/2026      |                       | 1,132.41           |                        | 968.39             |                | 164.02            |                   |
| 9/2/2026      | 3,679.29              | 1,132.41           | 3,723.28               | 968.39             | (43.99)        | 164.02            | 284.05            |
| 3/2/2027      |                       | 1,019.39           |                        | 872.98             |                | 146.41            |                   |
| 9/2/2027      | 3,979.64              | 1,019.39           | 3,900.58               | 872.98             | 79.06          | 146.41            | 371.88            |
| 3/2/2028      |                       | 897.15             |                        | 773.02             |                | 124.13            |                   |
| 9/2/2028      | 4,129.82              | 897.15             | 4,077.88               | 773.02             | 51.94          | 124.13            | 300.20            |
| 3/2/2029      |                       | 770.31             |                        | 665.98             |                | 104.33            |                   |
| 9/2/2029      | 4,430.17              | 770.31             | 4,343.83               | 665.98             | 86.34          | 104.33            | 295.00            |
| 3/2/2030      |                       | 634.24             |                        | 549.24             |                | 85.00             |                   |
| 9/2/2030      | 4,730.52              | 634.24             | 4,521.13               | 549.24             | 209.39         | 85.00             | 379.39            |
| 3/2/2031      |                       | 488.94             |                        | 427.73             |                | 61.21             |                   |
| 9/2/2031      | 4,955.78              | 488.94             | 4,698.43               | 427.73             | 257.35         | 61.21             | 379.77            |
| 3/2/2032      |                       | 336.72             |                        | 298.53             |                | 38.19             |                   |
| 9/2/2032      | 5,331.22              | 336.72             | 5,053.02               | 298.53             | 278.20         | 38.19             | 354.58            |
| 3/2/2033      |                       | 172.97             |                        | 159.57             |                | 13.40             |                   |
| 9/2/2033      | 5,631.57              | 172.97             | 5,318.97               | 159.57             | 312.60         | 13.40             | 339.40            |
| <b>Totals</b> | <b>\$67,954.29</b>    | <b>\$51,396.10</b> | <b>\$67,905.55</b>     | <b>\$44,600.19</b> | <b>\$48.73</b> | <b>\$6,795.91</b> | <b>\$6,844.64</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-54-00**

**REASSESSMENT NUMBER: 6**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Savings        |                   | Annual Total      |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|-------------------|-------------------|
|               | Principal             | Interest           | Principal              | Interest           | Principal      | Interest          |                   |
| 3/2/2014      |                       | \$2,023.66         |                        | \$2,297.80         |                | (\$274.14)        |                   |
| 9/2/2014      | \$1,859.14            | 2,023.66           | \$1,404.75             | 1,723.35           | \$454.39       | 300.31            | \$480.56          |
| 3/2/2015      |                       | 1,974.50           |                        | 1,688.23           |                | 286.27            |                   |
| 9/2/2015      | 1,933.51              | 1,974.50           | 2,194.93               | 1,688.23           | (261.42)       | 286.27            | 311.12            |
| 3/2/2016      |                       | 1,922.00           |                        | 1,644.33           |                | 277.67            |                   |
| 9/2/2016      | 2,082.24              | 1,922.00           | 2,370.52               | 1,644.33           | (288.28)       | 277.67            | 267.06            |
| 3/2/2017      |                       | 1,864.09           |                        | 1,596.92           |                | 267.17            |                   |
| 9/2/2017      | 2,230.97              | 1,864.09           | 2,370.52               | 1,596.92           | (139.55)       | 267.17            | 394.79            |
| 3/2/2018      |                       | 1,800.91           |                        | 1,549.51           |                | 251.40            |                   |
| 9/2/2018      | 2,305.33              | 1,800.91           | 2,458.32               | 1,549.51           | (152.99)       | 251.40            | 349.81            |
| 3/2/2019      |                       | 1,734.80           |                        | 1,488.05           |                | 246.75            |                   |
| 9/2/2019      | 2,454.07              | 1,734.80           | 2,633.91               | 1,488.05           | (179.84)       | 246.75            | 313.66            |
| 3/2/2020      |                       | 1,663.37           |                        | 1,422.20           |                | 241.17            |                   |
| 9/2/2020      | 2,528.43              | 1,663.37           | 2,721.71               | 1,422.20           | (193.28)       | 241.17            | 289.06            |
| 3/2/2021      |                       | 1,588.86           |                        | 1,354.16           |                | 234.70            |                   |
| 9/2/2021      | 2,751.53              | 1,588.86           | 2,897.31               | 1,354.16           | (145.78)       | 234.70            | 323.62            |
| 3/2/2022      |                       | 1,506.68           |                        | 1,281.73           |                | 224.95            |                   |
| 9/2/2022      | 2,900.26              | 1,506.68           | 2,985.10               | 1,281.73           | (84.84)        | 224.95            | 365.06            |
| 3/2/2023      |                       | 1,419.01           |                        | 1,207.10           |                | 211.91            |                   |
| 9/2/2023      | 3,048.99              | 1,419.01           | 3,160.70               | 1,207.10           | (111.71)       | 211.91            | 312.11            |
| 3/2/2024      |                       | 1,326.79           |                        | 1,128.08           |                | 198.71            |                   |
| 9/2/2024      | 3,272.09              | 1,326.79           | 3,336.29               | 1,128.08           | (64.20)        | 198.71            | 333.22            |
| 3/2/2025      |                       | 1,226.59           |                        | 1,044.68           |                | 181.91            |                   |
| 9/2/2025      | 3,420.82              | 1,226.59           | 3,424.09               | 1,044.68           | (3.27)         | 181.91            | 360.55            |
| 3/2/2026      |                       | 1,121.52           |                        | 959.07             |                | 162.45            |                   |
| 9/2/2026      | 3,643.92              | 1,121.52           | 3,687.48               | 959.07             | (43.56)        | 162.45            | 281.34            |
| 3/2/2027      |                       | 1,009.59           |                        | 864.58             |                | 145.01            |                   |
| 9/2/2027      | 3,941.38              | 1,009.59           | 3,863.07               | 864.58             | 78.31          | 145.01            | 368.33            |
| 3/2/2028      |                       | 888.52             |                        | 765.59             |                | 122.93            |                   |
| 9/2/2028      | 4,090.11              | 888.52             | 4,038.67               | 765.59             | 51.44          | 122.93            | 297.30            |
| 3/2/2029      |                       | 762.90             |                        | 659.58             |                | 103.32            |                   |
| 9/2/2029      | 4,387.57              | 762.90             | 4,302.06               | 659.58             | 85.51          | 103.32            | 292.15            |
| 3/2/2030      |                       | 628.14             |                        | 543.96             |                | 84.18             |                   |
| 9/2/2030      | 4,685.04              | 628.14             | 4,477.65               | 543.96             | 207.39         | 84.18             | 375.75            |
| 3/2/2031      |                       | 484.24             |                        | 423.62             |                | 60.62             |                   |
| 9/2/2031      | 4,908.13              | 484.24             | 4,653.25               | 423.62             | 254.88         | 60.62             | 376.12            |
| 3/2/2032      |                       | 333.48             |                        | 295.66             |                | 37.82             |                   |
| 9/2/2032      | 5,279.96              | 333.48             | 5,004.44               | 295.66             | 275.52         | 37.82             | 351.16            |
| 3/2/2033      |                       | 171.31             |                        | 158.03             |                | 13.28             |                   |
| 9/2/2033      | 5,577.42              | 171.31             | 5,267.83               | 158.03             | 309.59         | 13.28             | 336.15            |
| <b>Totals</b> | <b>\$67,300.91</b>    | <b>\$50,901.92</b> | <b>\$67,252.61</b>     | <b>\$44,171.31</b> | <b>\$48.31</b> | <b>\$6,730.61</b> | <b>\$6,778.92</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-55-00**

**REASSESSMENT NUMBER: 7**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Savings        |                   | Annual Total      |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|-------------------|-------------------|
|               | Principal             | Interest           | Principal              | Interest           | Principal      | Interest          |                   |
| 3/2/2014      |                       | \$1,728.95         |                        | \$1,963.17         |                | (\$234.22)        |                   |
| 9/2/2014      | \$1,588.39            | 1,728.95           | \$1,200.18             | 1,472.38           | \$388.21       | 256.57            | \$410.56          |
| 3/2/2015      |                       | 1,686.95           |                        | 1,442.37           |                | 244.58            |                   |
| 9/2/2015      | 1,651.93              | 1,686.95           | 1,875.28               | 1,442.37           | (223.35)       | 244.58            | 265.81            |
| 3/2/2016      |                       | 1,642.10           |                        | 1,404.87           |                | 237.23            |                   |
| 9/2/2016      | 1,779.00              | 1,642.10           | 2,025.30               | 1,404.87           | (246.30)       | 237.23            | 228.16            |
| 3/2/2017      |                       | 1,592.62           |                        | 1,364.36           |                | 228.26            |                   |
| 9/2/2017      | 1,906.07              | 1,592.62           | 2,025.30               | 1,364.36           | (119.23)       | 228.26            | 337.29            |
| 3/2/2018      |                       | 1,538.64           |                        | 1,323.85           |                | 214.79            |                   |
| 9/2/2018      | 1,969.61              | 1,538.64           | 2,100.31               | 1,323.85           | (130.70)       | 214.79            | 298.88            |
| 3/2/2019      |                       | 1,482.16           |                        | 1,271.35           |                | 210.81            |                   |
| 9/2/2019      | 2,096.68              | 1,482.16           | 2,250.33               | 1,271.35           | (153.65)       | 210.81            | 267.97            |
| 3/2/2020      |                       | 1,421.13           |                        | 1,215.09           |                | 206.04            |                   |
| 9/2/2020      | 2,160.21              | 1,421.13           | 2,325.35               | 1,215.09           | (165.14)       | 206.04            | 246.94            |
| 3/2/2021      |                       | 1,357.47           |                        | 1,156.95           |                | 200.52            |                   |
| 9/2/2021      | 2,350.82              | 1,357.47           | 2,475.37               | 1,156.95           | (124.55)       | 200.52            | 276.49            |
| 3/2/2022      |                       | 1,287.26           |                        | 1,095.07           |                | 192.19            |                   |
| 9/2/2022      | 2,477.89              | 1,287.26           | 2,550.38               | 1,095.07           | (72.49)        | 192.19            | 311.89            |
| 3/2/2023      |                       | 1,212.36           |                        | 1,031.31           |                | 181.05            |                   |
| 9/2/2023      | 2,604.96              | 1,212.36           | 2,700.40               | 1,031.31           | (95.44)        | 181.05            | 266.66            |
| 3/2/2024      |                       | 1,133.57           |                        | 963.80             |                | 169.77            |                   |
| 9/2/2024      | 2,795.57              | 1,133.57           | 2,850.42               | 963.80             | (54.85)        | 169.77            | 284.69            |
| 3/2/2025      |                       | 1,047.96           |                        | 892.54             |                | 155.42            |                   |
| 9/2/2025      | 2,922.64              | 1,047.96           | 2,925.44               | 892.54             | (2.80)         | 155.42            | 308.04            |
| 3/2/2026      |                       | 958.19             |                        | 819.40             |                | 138.79            |                   |
| 9/2/2026      | 3,113.25              | 958.19             | 3,150.47               | 819.40             | (37.22)        | 138.79            | 240.36            |
| 3/2/2027      |                       | 862.56             |                        | 738.67             |                | 123.89            |                   |
| 9/2/2027      | 3,367.39              | 862.56             | 3,300.49               | 738.67             | 66.90          | 123.89            | 314.68            |
| 3/2/2028      |                       | 759.12             |                        | 654.10             |                | 105.02            |                   |
| 9/2/2028      | 3,494.46              | 759.12             | 3,450.51               | 654.10             | 43.95          | 105.02            | 253.99            |
| 3/2/2029      |                       | 651.80             |                        | 563.52             |                | 88.28             |                   |
| 9/2/2029      | 3,748.61              | 651.80             | 3,675.55               | 563.52             | 73.06          | 88.28             | 249.62            |
| 3/2/2030      |                       | 536.66             |                        | 464.74             |                | 71.92             |                   |
| 9/2/2030      | 4,002.75              | 536.66             | 3,825.57               | 464.74             | 177.18         | 71.92             | 321.02            |
| 3/2/2031      |                       | 413.72             |                        | 361.93             |                | 51.79             |                   |
| 9/2/2031      | 4,193.36              | 413.72             | 3,975.59               | 361.93             | 217.77         | 51.79             | 321.35            |
| 3/2/2032      |                       | 284.92             |                        | 252.60             |                | 32.32             |                   |
| 9/2/2032      | 4,511.03              | 284.92             | 4,275.64               | 252.60             | 235.39         | 32.32             | 300.03            |
| 3/2/2033      |                       | 146.36             |                        | 135.02             |                | 11.34             |                   |
| 9/2/2033      | 4,765.18              | 146.36             | 4,500.67               | 135.02             | 264.51         | 11.34             | 287.19            |
| <b>Totals</b> | <b>\$57,499.80</b>    | <b>\$43,489.00</b> | <b>\$57,458.55</b>     | <b>\$37,738.63</b> | <b>\$41.25</b> | <b>\$5,750.37</b> | <b>\$5,791.62</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-56-00**

**REASSESSMENT NUMBER: 8**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Savings        |                    | Annual Total       |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|--------------------|--------------------|
|               | Principal             | Interest           | Principal              | Interest           | Principal      | Interest           |                    |
| 3/2/2014      |                       | \$3,497.19         |                        | \$3,970.95         |                | (\$473.76)         |                    |
| 9/2/2014      | \$3,212.88            | 3,497.19           | \$2,427.63             | 2,978.21           | \$785.25       | 518.98             | \$830.47           |
| 3/2/2015      |                       | 3,412.24           |                        | 2,917.52           |                | 494.72             |                    |
| 9/2/2015      | 3,341.40              | 3,412.24           | 3,793.18               | 2,917.52           | (451.78)       | 494.72             | 537.66             |
| 3/2/2016      |                       | 3,321.51           |                        | 2,841.66           |                | 479.85             |                    |
| 9/2/2016      | 3,598.43              | 3,321.51           | 4,096.63               | 2,841.66           | (498.20)       | 479.85             | 461.50             |
| 3/2/2017      |                       | 3,221.43           |                        | 2,759.73           |                | 461.70             |                    |
| 9/2/2017      | 3,855.46              | 3,221.43           | 4,096.63               | 2,759.73           | (241.17)       | 461.70             | 682.23             |
| 3/2/2018      |                       | 3,112.26           |                        | 2,677.79           |                | 434.47             |                    |
| 9/2/2018      | 3,983.98              | 3,112.26           | 4,248.36               | 2,677.79           | (264.38)       | 434.47             | 604.56             |
| 3/2/2019      |                       | 2,998.01           |                        | 2,571.58           |                | 426.43             |                    |
| 9/2/2019      | 4,241.01              | 2,998.01           | 4,551.81               | 2,571.58           | (310.80)       | 426.43             | 542.06             |
| 3/2/2020      |                       | 2,874.57           |                        | 2,457.79           |                | 416.78             |                    |
| 9/2/2020      | 4,369.52              | 2,874.57           | 4,703.54               | 2,457.79           | (334.02)       | 416.78             | 499.54             |
| 3/2/2021      |                       | 2,745.80           |                        | 2,340.20           |                | 405.60             |                    |
| 9/2/2021      | 4,755.07              | 2,745.80           | 5,006.99               | 2,340.20           | (251.92)       | 405.60             | 559.28             |
| 3/2/2022      |                       | 2,603.79           |                        | 2,215.03           |                | 388.76             |                    |
| 9/2/2022      | 5,012.10              | 2,603.79           | 5,158.72               | 2,215.03           | (146.62)       | 388.76             | 630.90             |
| 3/2/2023      |                       | 2,452.27           |                        | 2,086.06           |                | 366.21             |                    |
| 9/2/2023      | 5,269.13              | 2,452.27           | 5,462.18               | 2,086.06           | (193.05)       | 366.21             | 539.37             |
| 3/2/2024      |                       | 2,292.91           |                        | 1,949.50           |                | 343.41             |                    |
| 9/2/2024      | 5,654.68              | 2,292.91           | 5,765.63               | 1,949.50           | (110.95)       | 343.41             | 575.87             |
| 3/2/2025      |                       | 2,119.73           |                        | 1,805.36           |                | 314.37             |                    |
| 9/2/2025      | 5,911.71              | 2,119.73           | 5,917.36               | 1,805.36           | (5.65)         | 314.37             | 623.09             |
| 3/2/2026      |                       | 1,938.16           |                        | 1,657.43           |                | 280.73             |                    |
| 9/2/2026      | 6,297.25              | 1,938.16           | 6,372.54               | 1,657.43           | (75.29)        | 280.73             | 486.17             |
| 3/2/2027      |                       | 1,744.72           |                        | 1,494.13           |                | 250.59             |                    |
| 9/2/2027      | 6,811.32              | 1,744.72           | 6,675.99               | 1,494.13           | 135.33         | 250.59             | 636.51             |
| 3/2/2028      |                       | 1,535.50           |                        | 1,323.06           |                | 212.44             |                    |
| 9/2/2028      | 7,068.35              | 1,535.50           | 6,979.45               | 1,323.06           | 88.90          | 212.44             | 513.78             |
| 3/2/2029      |                       | 1,318.41           |                        | 1,139.85           |                | 178.56             |                    |
| 9/2/2029      | 7,582.41              | 1,318.41           | 7,434.63               | 1,139.85           | 147.78         | 178.56             | 504.90             |
| 3/2/2030      |                       | 1,085.52           |                        | 940.04             |                | 145.48             |                    |
| 9/2/2030      | 8,096.47              | 1,085.52           | 7,738.08               | 940.04             | 358.39         | 145.48             | 649.35             |
| 3/2/2031      |                       | 836.84             |                        | 732.08             |                | 104.76             |                    |
| 9/2/2031      | 8,482.01              | 836.84             | 8,041.54               | 732.08             | 440.47         | 104.76             | 649.99             |
| 3/2/2032      |                       | 576.31             |                        | 510.94             |                | 65.37              |                    |
| 9/2/2032      | 9,124.59              | 576.31             | 8,648.45               | 510.94             | 476.14         | 65.37              | 606.88             |
| 3/2/2033      |                       | 296.05             |                        | 273.11             |                | 22.94              |                    |
| 9/2/2033      | 9,638.65              | 296.05             | 9,103.63               | 273.11             | 535.02         | 22.94              | 580.90             |
| <b>Totals</b> | <b>\$116,306.42</b>   | <b>\$87,966.44</b> | <b>\$116,222.97</b>    | <b>\$76,334.88</b> | <b>\$83.45</b> | <b>\$11,631.56</b> | <b>\$11,715.01</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-57-00**

**REASSESSMENT NUMBER: 9**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Principal      | Savings           |          | Annual Total      |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|-------------------|----------|-------------------|
|               | Principal             | Interest           | Principal              | Interest           |                | Principal         | Interest |                   |
| 3/2/2014      |                       | \$2,338.01         |                        | \$2,654.74         |                | (\$316.73)        |          |                   |
| 9/2/2014      | \$2,147.94            | 2,338.01           | \$1,622.97             | 1,991.05           | \$524.97       | 346.96            |          | \$555.20          |
| 3/2/2015      |                       | 2,281.22           |                        | 1,950.48           |                | 330.74            |          |                   |
| 9/2/2015      | 2,233.86              | 2,281.22           | 2,535.89               | 1,950.48           | (302.03)       | 330.74            |          | 359.45            |
| 3/2/2016      |                       | 2,220.56           |                        | 1,899.76           |                | 320.80            |          |                   |
| 9/2/2016      | 2,405.69              | 2,220.56           | 2,738.76               | 1,899.76           | (333.07)       | 320.80            |          | 308.53            |
| 3/2/2017      |                       | 2,153.65           |                        | 1,844.99           |                | 308.66            |          |                   |
| 9/2/2017      | 2,577.53              | 2,153.65           | 2,738.76               | 1,844.99           | (161.23)       | 308.66            |          | 456.09            |
| 3/2/2018      |                       | 2,080.67           |                        | 1,790.21           |                | 290.46            |          |                   |
| 9/2/2018      | 2,663.44              | 2,080.67           | 2,840.20               | 1,790.21           | (176.76)       | 290.46            |          | 404.16            |
| 3/2/2019      |                       | 2,004.29           |                        | 1,719.21           |                | 285.08            |          |                   |
| 9/2/2019      | 2,835.28              | 2,004.29           | 3,043.07               | 1,719.21           | (207.79)       | 285.08            |          | 362.37            |
| 3/2/2020      |                       | 1,921.76           |                        | 1,643.13           |                | 278.63            |          |                   |
| 9/2/2020      | 2,921.20              | 1,921.76           | 3,144.50               | 1,643.13           | (223.30)       | 278.63            |          | 333.96            |
| 3/2/2021      |                       | 1,835.67           |                        | 1,564.52           |                | 271.15            |          |                   |
| 9/2/2021      | 3,178.95              | 1,835.67           | 3,347.37               | 1,564.52           | (168.42)       | 271.15            |          | 373.88            |
| 3/2/2022      |                       | 1,740.73           |                        | 1,480.83           |                | 259.90            |          |                   |
| 9/2/2022      | 3,350.79              | 1,740.73           | 3,448.81               | 1,480.83           | (98.02)        | 259.90            |          | 421.78            |
| 3/2/2023      |                       | 1,639.44           |                        | 1,394.61           |                | 244.83            |          |                   |
| 9/2/2023      | 3,522.62              | 1,639.44           | 3,651.68               | 1,394.61           | (129.06)       | 244.83            |          | 360.60            |
| 3/2/2024      |                       | 1,532.90           |                        | 1,303.32           |                | 229.58            |          |                   |
| 9/2/2024      | 3,780.37              | 1,532.90           | 3,854.55               | 1,303.32           | (74.18)        | 229.58            |          | 384.98            |
| 3/2/2025      |                       | 1,417.12           |                        | 1,206.96           |                | 210.16            |          |                   |
| 9/2/2025      | 3,952.21              | 1,417.12           | 3,955.99               | 1,206.96           | (3.78)         | 210.16            |          | 416.54            |
| 3/2/2026      |                       | 1,295.73           |                        | 1,108.06           |                | 187.67            |          |                   |
| 9/2/2026      | 4,209.96              | 1,295.73           | 4,260.29               | 1,108.06           | (50.33)        | 187.67            |          | 325.01            |
| 3/2/2027      |                       | 1,166.42           |                        | 998.89             |                | 167.53            |          |                   |
| 9/2/2027      | 4,553.63              | 1,166.42           | 4,463.16               | 998.89             | 90.47          | 167.53            |          | 425.53            |
| 3/2/2028      |                       | 1,026.54           |                        | 884.52             |                | 142.02            |          |                   |
| 9/2/2028      | 4,725.47              | 1,026.54           | 4,666.03               | 884.52             | 59.44          | 142.02            |          | 343.48            |
| 3/2/2029      |                       | 881.41             |                        | 762.03             |                | 119.38            |          |                   |
| 9/2/2029      | 5,069.14              | 881.41             | 4,970.34               | 762.03             | 98.80          | 119.38            |          | 337.56            |
| 3/2/2030      |                       | 725.71             |                        | 628.46             |                | 97.25             |          |                   |
| 9/2/2030      | 5,412.81              | 725.71             | 5,173.21               | 628.46             | 239.60         | 97.25             |          | 434.10            |
| 3/2/2031      |                       | 559.46             |                        | 489.43             |                | 70.03             |          |                   |
| 9/2/2031      | 5,670.56              | 559.46             | 5,376.08               | 489.43             | 294.48         | 70.03             |          | 434.54            |
| 3/2/2032      |                       | 385.29             |                        | 341.58             |                | 43.71             |          |                   |
| 9/2/2032      | 6,100.15              | 385.29             | 5,781.83               | 341.58             | 318.32         | 43.71             |          | 405.74            |
| 3/2/2033      |                       | 197.92             |                        | 182.58             |                | 15.34             |          |                   |
| 9/2/2033      | 6,443.82              | 197.92             | 6,086.13               | 182.58             | 357.69         | 15.34             |          | 388.37            |
| <b>Totals</b> | <b>\$77,755.42</b>    | <b>\$58,809.00</b> | <b>\$77,699.62</b>     | <b>\$51,032.93</b> | <b>\$55.80</b> | <b>\$7,776.07</b> |          | <b>\$7,831.87</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-58-00**

**REASSESSMENT NUMBER: 10**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Principal      | Savings           |          | Annual Total      |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|-------------------|----------|-------------------|
|               | Principal             | Interest           | Principal              | Interest           |                | Principal         | Interest |                   |
| 3/2/2014      |                       | \$2,338.01         |                        | \$2,654.74         |                | (\$316.73)        |          |                   |
| 9/2/2014      | \$2,147.94            | 2,338.01           | \$1,622.97             | 1,991.05           | \$524.97       | 346.96            |          | \$555.20          |
| 3/2/2015      |                       | 2,281.22           |                        | 1,950.48           |                | 330.74            |          |                   |
| 9/2/2015      | 2,233.86              | 2,281.22           | 2,535.89               | 1,950.48           | (302.03)       | 330.74            |          | 359.45            |
| 3/2/2016      |                       | 2,220.56           |                        | 1,899.76           |                | 320.80            |          |                   |
| 9/2/2016      | 2,405.69              | 2,220.56           | 2,738.76               | 1,899.76           | (333.07)       | 320.80            |          | 308.53            |
| 3/2/2017      |                       | 2,153.65           |                        | 1,844.99           |                | 308.66            |          |                   |
| 9/2/2017      | 2,577.53              | 2,153.65           | 2,738.76               | 1,844.99           | (161.23)       | 308.66            |          | 456.09            |
| 3/2/2018      |                       | 2,080.67           |                        | 1,790.21           |                | 290.46            |          |                   |
| 9/2/2018      | 2,663.44              | 2,080.67           | 2,840.20               | 1,790.21           | (176.76)       | 290.46            |          | 404.16            |
| 3/2/2019      |                       | 2,004.29           |                        | 1,719.21           |                | 285.08            |          |                   |
| 9/2/2019      | 2,835.28              | 2,004.29           | 3,043.07               | 1,719.21           | (207.79)       | 285.08            |          | 362.37            |
| 3/2/2020      |                       | 1,921.76           |                        | 1,643.13           |                | 278.63            |          |                   |
| 9/2/2020      | 2,921.20              | 1,921.76           | 3,144.50               | 1,643.13           | (223.30)       | 278.63            |          | 333.96            |
| 3/2/2021      |                       | 1,835.67           |                        | 1,564.52           |                | 271.15            |          |                   |
| 9/2/2021      | 3,178.95              | 1,835.67           | 3,347.37               | 1,564.52           | (168.42)       | 271.15            |          | 373.88            |
| 3/2/2022      |                       | 1,740.73           |                        | 1,480.83           |                | 259.90            |          |                   |
| 9/2/2022      | 3,350.79              | 1,740.73           | 3,448.81               | 1,480.83           | (98.02)        | 259.90            |          | 421.78            |
| 3/2/2023      |                       | 1,639.44           |                        | 1,394.61           |                | 244.83            |          |                   |
| 9/2/2023      | 3,522.62              | 1,639.44           | 3,651.68               | 1,394.61           | (129.06)       | 244.83            |          | 360.60            |
| 3/2/2024      |                       | 1,532.90           |                        | 1,303.32           |                | 229.58            |          |                   |
| 9/2/2024      | 3,780.37              | 1,532.90           | 3,854.55               | 1,303.32           | (74.18)        | 229.58            |          | 384.98            |
| 3/2/2025      |                       | 1,417.12           |                        | 1,206.96           |                | 210.16            |          |                   |
| 9/2/2025      | 3,952.21              | 1,417.12           | 3,955.99               | 1,206.96           | (3.78)         | 210.16            |          | 416.54            |
| 3/2/2026      |                       | 1,295.73           |                        | 1,108.06           |                | 187.67            |          |                   |
| 9/2/2026      | 4,209.96              | 1,295.73           | 4,260.29               | 1,108.06           | (50.33)        | 187.67            |          | 325.01            |
| 3/2/2027      |                       | 1,166.42           |                        | 998.89             |                | 167.53            |          |                   |
| 9/2/2027      | 4,553.63              | 1,166.42           | 4,463.16               | 998.89             | 90.47          | 167.53            |          | 425.53            |
| 3/2/2028      |                       | 1,026.54           |                        | 884.52             |                | 142.02            |          |                   |
| 9/2/2028      | 4,725.47              | 1,026.54           | 4,666.03               | 884.52             | 59.44          | 142.02            |          | 343.48            |
| 3/2/2029      |                       | 881.41             |                        | 762.03             |                | 119.38            |          |                   |
| 9/2/2029      | 5,069.14              | 881.41             | 4,970.34               | 762.03             | 98.80          | 119.38            |          | 337.56            |
| 3/2/2030      |                       | 725.71             |                        | 628.46             |                | 97.25             |          |                   |
| 9/2/2030      | 5,412.81              | 725.71             | 5,173.21               | 628.46             | 239.60         | 97.25             |          | 434.10            |
| 3/2/2031      |                       | 559.46             |                        | 489.43             |                | 70.03             |          |                   |
| 9/2/2031      | 5,670.56              | 559.46             | 5,376.08               | 489.43             | 294.48         | 70.03             |          | 434.54            |
| 3/2/2032      |                       | 385.29             |                        | 341.58             |                | 43.71             |          |                   |
| 9/2/2032      | 6,100.15              | 385.29             | 5,781.83               | 341.58             | 318.32         | 43.71             |          | 405.74            |
| 3/2/2033      |                       | 197.92             |                        | 182.58             |                | 15.34             |          |                   |
| 9/2/2033      | 6,443.82              | 197.92             | 6,086.13               | 182.58             | 357.69         | 15.34             |          | 388.37            |
| <b>Totals</b> | <b>\$77,755.42</b>    | <b>\$58,809.00</b> | <b>\$77,699.62</b>     | <b>\$51,032.93</b> | <b>\$55.80</b> | <b>\$7,776.07</b> |          | <b>\$7,831.87</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-59-00**

**REASSESSMENT NUMBER: 11**

| Payment Date  | Refunded Amortization |                     | Refunding Amortization |                    | Savings         |                    | Annual Total       |
|---------------|-----------------------|---------------------|------------------------|--------------------|-----------------|--------------------|--------------------|
|               | Principal             | Interest            | Principal              | Interest           | Principal       | Interest           |                    |
| 3/2/2014      |                       | \$4,322.37          |                        | \$4,907.92         |                 | (\$585.55)         |                    |
| 9/2/2014      | \$3,970.98            | 4,322.37            | \$3,000.45             | 3,680.94           | \$970.53        | 641.43             | \$1,026.41         |
| 3/2/2015      |                       | 4,217.38            |                        | 3,605.93           |                 | 611.45             |                    |
| 9/2/2015      | 4,129.82              | 4,217.38            | 4,688.20               | 3,605.93           | (558.38)        | 611.45             | 664.52             |
| 3/2/2016      |                       | 4,105.24            |                        | 3,512.16           |                 | 593.08             |                    |
| 9/2/2016      | 4,447.50              | 4,105.24            | 5,063.25               | 3,512.16           | (615.75)        | 593.08             | 570.41             |
| 3/2/2017      |                       | 3,981.54            |                        | 3,410.90           |                 | 570.64             |                    |
| 9/2/2017      | 4,765.18              | 3,981.54            | 5,063.25               | 3,410.90           | (298.07)        | 570.64             | 843.21             |
| 3/2/2018      |                       | 3,846.61            |                        | 3,309.63           |                 | 536.98             |                    |
| 9/2/2018      | 4,924.02              | 3,846.61            | 5,250.78               | 3,309.63           | (326.76)        | 536.98             | 747.20             |
| 3/2/2019      |                       | 3,705.40            |                        | 3,178.36           |                 | 527.04             |                    |
| 9/2/2019      | 5,241.69              | 3,705.40            | 5,625.84               | 3,178.36           | (384.15)        | 527.04             | 669.93             |
| 3/2/2020      |                       | 3,552.84            |                        | 3,037.72           |                 | 515.12             |                    |
| 9/2/2020      | 5,400.53              | 3,552.84            | 5,813.36               | 3,037.72           | (412.83)        | 515.12             | 617.41             |
| 3/2/2021      |                       | 3,393.68            |                        | 2,892.38           |                 | 501.30             |                    |
| 9/2/2021      | 5,877.05              | 3,393.68            | 6,188.42               | 2,892.38           | (311.37)        | 501.30             | 691.23             |
| 3/2/2022      |                       | 3,218.16            |                        | 2,737.67           |                 | 480.49             |                    |
| 9/2/2022      | 6,194.73              | 3,218.16            | 6,375.95               | 2,737.67           | (181.22)        | 480.49             | 779.76             |
| 3/2/2023      |                       | 3,030.89            |                        | 2,578.27           |                 | 452.62             |                    |
| 9/2/2023      | 6,512.41              | 3,030.89            | 6,751.00               | 2,578.27           | (238.59)        | 452.62             | 666.65             |
| 3/2/2024      |                       | 2,833.93            |                        | 2,409.50           |                 | 424.43             |                    |
| 9/2/2024      | 6,988.93              | 2,833.93            | 7,126.06               | 2,409.50           | (137.13)        | 424.43             | 711.73             |
| 3/2/2025      |                       | 2,619.89            |                        | 2,231.35           |                 | 388.54             |                    |
| 9/2/2025      | 7,306.60              | 2,619.89            | 7,313.59               | 2,231.35           | (6.99)          | 388.54             | 770.09             |
| 3/2/2026      |                       | 2,395.47            |                        | 2,048.51           |                 | 346.96             |                    |
| 9/2/2026      | 7,783.12              | 2,395.47            | 7,876.17               | 2,048.51           | (93.05)         | 346.96             | 600.87             |
| 3/2/2027      |                       | 2,156.40            |                        | 1,846.68           |                 | 309.72             |                    |
| 9/2/2027      | 8,418.48              | 2,156.40            | 8,251.23               | 1,846.68           | 167.25          | 309.72             | 786.69             |
| 3/2/2028      |                       | 1,897.81            |                        | 1,635.24           |                 | 262.57             |                    |
| 9/2/2028      | 8,736.16              | 1,897.81            | 8,626.28               | 1,635.24           | 109.88          | 262.57             | 635.02             |
| 3/2/2029      |                       | 1,629.49            |                        | 1,408.80           |                 | 220.69             |                    |
| 9/2/2029      | 9,371.51              | 1,629.49            | 9,188.87               | 1,408.80           | 182.64          | 220.69             | 624.02             |
| 3/2/2030      |                       | 1,341.66            |                        | 1,161.85           |                 | 179.81             |                    |
| 9/2/2030      | 10,006.87             | 1,341.66            | 9,563.92               | 1,161.85           | 442.95          | 179.81             | 802.57             |
| 3/2/2031      |                       | 1,034.30            |                        | 904.82             |                 | 129.48             |                    |
| 9/2/2031      | 10,483.39             | 1,034.30            | 9,938.98               | 904.82             | 544.41          | 129.48             | 803.37             |
| 3/2/2032      |                       | 712.29              |                        | 631.50             |                 | 80.79              |                    |
| 9/2/2032      | 11,277.59             | 712.29              | 10,689.09              | 631.50             | 588.50          | 80.79              | 750.08             |
| 3/2/2033      |                       | 365.91              |                        | 337.55             |                 | 28.36              |                    |
| 9/2/2033      | 11,912.94             | 365.91              | 11,251.67              | 337.55             | 661.27          | 28.36              | 717.99             |
| <b>Totals</b> | <b>\$143,749.50</b>   | <b>\$108,722.52</b> | <b>\$143,646.37</b>    | <b>\$94,346.50</b> | <b>\$103.14</b> | <b>\$14,376.02</b> | <b>\$14,479.16</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-60-00**

**REASSESSMENT NUMBER: 12**

| Payment Date  | Refunded Amortization |                     | Refunding Amortization |                    | Savings         |                    | Annual Total       |
|---------------|-----------------------|---------------------|------------------------|--------------------|-----------------|--------------------|--------------------|
|               | Principal             | Interest            | Principal              | Interest           | Principal       | Interest           |                    |
| 3/2/2014      |                       | \$4,322.37          |                        | \$4,907.92         |                 | (\$585.55)         |                    |
| 9/2/2014      | \$3,970.98            | 4,322.37            | \$3,000.45             | 3,680.94           | \$970.53        | 641.43             | \$1,026.41         |
| 3/2/2015      |                       | 4,217.38            |                        | 3,605.93           |                 | 611.45             |                    |
| 9/2/2015      | 4,129.82              | 4,217.38            | 4,688.20               | 3,605.93           | (558.38)        | 611.45             | 664.52             |
| 3/2/2016      |                       | 4,105.24            |                        | 3,512.16           |                 | 593.08             |                    |
| 9/2/2016      | 4,447.50              | 4,105.24            | 5,063.25               | 3,512.16           | (615.75)        | 593.08             | 570.41             |
| 3/2/2017      |                       | 3,981.54            |                        | 3,410.90           |                 | 570.64             |                    |
| 9/2/2017      | 4,765.18              | 3,981.54            | 5,063.25               | 3,410.90           | (298.07)        | 570.64             | 843.21             |
| 3/2/2018      |                       | 3,846.61            |                        | 3,309.63           |                 | 536.98             |                    |
| 9/2/2018      | 4,924.02              | 3,846.61            | 5,250.78               | 3,309.63           | (326.76)        | 536.98             | 747.20             |
| 3/2/2019      |                       | 3,705.40            |                        | 3,178.36           |                 | 527.04             |                    |
| 9/2/2019      | 5,241.69              | 3,705.40            | 5,625.84               | 3,178.36           | (384.15)        | 527.04             | 669.93             |
| 3/2/2020      |                       | 3,552.84            |                        | 3,037.72           |                 | 515.12             |                    |
| 9/2/2020      | 5,400.53              | 3,552.84            | 5,813.36               | 3,037.72           | (412.83)        | 515.12             | 617.41             |
| 3/2/2021      |                       | 3,393.68            |                        | 2,892.38           |                 | 501.30             |                    |
| 9/2/2021      | 5,877.05              | 3,393.68            | 6,188.42               | 2,892.38           | (311.37)        | 501.30             | 691.23             |
| 3/2/2022      |                       | 3,218.16            |                        | 2,737.67           |                 | 480.49             |                    |
| 9/2/2022      | 6,194.73              | 3,218.16            | 6,375.95               | 2,737.67           | (181.22)        | 480.49             | 779.76             |
| 3/2/2023      |                       | 3,030.89            |                        | 2,578.27           |                 | 452.62             |                    |
| 9/2/2023      | 6,512.41              | 3,030.89            | 6,751.00               | 2,578.27           | (238.59)        | 452.62             | 666.65             |
| 3/2/2024      |                       | 2,833.93            |                        | 2,409.50           |                 | 424.43             |                    |
| 9/2/2024      | 6,988.93              | 2,833.93            | 7,126.06               | 2,409.50           | (137.13)        | 424.43             | 711.73             |
| 3/2/2025      |                       | 2,619.89            |                        | 2,231.35           |                 | 388.54             |                    |
| 9/2/2025      | 7,306.60              | 2,619.89            | 7,313.59               | 2,231.35           | (6.99)          | 388.54             | 770.09             |
| 3/2/2026      |                       | 2,395.47            |                        | 2,048.51           |                 | 346.96             |                    |
| 9/2/2026      | 7,783.12              | 2,395.47            | 7,876.17               | 2,048.51           | (93.05)         | 346.96             | 600.87             |
| 3/2/2027      |                       | 2,156.40            |                        | 1,846.68           |                 | 309.72             |                    |
| 9/2/2027      | 8,418.48              | 2,156.40            | 8,251.23               | 1,846.68           | 167.25          | 309.72             | 786.69             |
| 3/2/2028      |                       | 1,897.81            |                        | 1,635.24           |                 | 262.57             |                    |
| 9/2/2028      | 8,736.16              | 1,897.81            | 8,626.28               | 1,635.24           | 109.88          | 262.57             | 635.02             |
| 3/2/2029      |                       | 1,629.49            |                        | 1,408.80           |                 | 220.69             |                    |
| 9/2/2029      | 9,371.51              | 1,629.49            | 9,188.87               | 1,408.80           | 182.64          | 220.69             | 624.02             |
| 3/2/2030      |                       | 1,341.66            |                        | 1,161.85           |                 | 179.81             |                    |
| 9/2/2030      | 10,006.87             | 1,341.66            | 9,563.92               | 1,161.85           | 442.95          | 179.81             | 802.57             |
| 3/2/2031      |                       | 1,034.30            |                        | 904.82             |                 | 129.48             |                    |
| 9/2/2031      | 10,483.39             | 1,034.30            | 9,938.98               | 904.82             | 544.41          | 129.48             | 803.37             |
| 3/2/2032      |                       | 712.29              |                        | 631.50             |                 | 80.79              |                    |
| 9/2/2032      | 11,277.59             | 712.29              | 10,689.09              | 631.50             | 588.50          | 80.79              | 750.08             |
| 3/2/2033      |                       | 365.91              |                        | 337.55             |                 | 28.36              |                    |
| 9/2/2033      | 11,912.94             | 365.91              | 11,251.67              | 337.55             | 661.27          | 28.36              | 717.99             |
| <b>Totals</b> | <b>\$143,749.50</b>   | <b>\$108,722.52</b> | <b>\$143,646.37</b>    | <b>\$94,346.50</b> | <b>\$103.14</b> | <b>\$14,376.02</b> | <b>\$14,479.16</b> |



**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-61-00**

**REASSESSMENT NUMBER: 13**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Savings        |                   | Annual Total      |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|-------------------|-------------------|
|               | Principal             | Interest           | Principal              | Interest           | Principal      | Interest          |                   |
| 3/2/2014      |                       | \$2,082.60         |                        | \$2,364.72         |                | (\$282.12)        |                   |
| 9/2/2014      | \$1,913.29            | 2,082.60           | \$1,445.67             | 1,773.54           | \$467.62       | 309.06            | \$494.56          |
| 3/2/2015      |                       | 2,032.01           |                        | 1,737.40           |                | 294.61            |                   |
| 9/2/2015      | 1,989.82              | 2,032.01           | 2,258.86               | 1,737.40           | (269.04)       | 294.61            | 320.18            |
| 3/2/2016      |                       | 1,977.98           |                        | 1,692.22           |                | 285.76            |                   |
| 9/2/2016      | 2,142.89              | 1,977.98           | 2,439.57               | 1,692.22           | (296.68)       | 285.76            | 274.84            |
| 3/2/2017      |                       | 1,918.38           |                        | 1,643.43           |                | 274.95            |                   |
| 9/2/2017      | 2,295.95              | 1,918.38           | 2,439.57               | 1,643.43           | (143.62)       | 274.95            | 406.28            |
| 3/2/2018      |                       | 1,853.37           |                        | 1,594.64           |                | 258.73            |                   |
| 9/2/2018      | 2,372.48              | 1,853.37           | 2,529.92               | 1,594.64           | (157.44)       | 258.73            | 360.02            |
| 3/2/2019      |                       | 1,785.33           |                        | 1,531.39           |                | 253.94            |                   |
| 9/2/2019      | 2,525.54              | 1,785.33           | 2,710.63               | 1,531.39           | (185.09)       | 253.94            | 322.79            |
| 3/2/2020      |                       | 1,711.82           |                        | 1,463.63           |                | 248.19            |                   |
| 9/2/2020      | 2,602.08              | 1,711.82           | 2,800.98               | 1,463.63           | (198.90)       | 248.19            | 297.48            |
| 3/2/2021      |                       | 1,635.14           |                        | 1,393.60           |                | 241.54            |                   |
| 9/2/2021      | 2,831.67              | 1,635.14           | 2,981.69               | 1,393.60           | (150.02)       | 241.54            | 333.06            |
| 3/2/2022      |                       | 1,550.57           |                        | 1,319.06           |                | 231.51            |                   |
| 9/2/2022      | 2,984.73              | 1,550.57           | 3,072.05               | 1,319.06           | (87.32)        | 231.51            | 375.70            |
| 3/2/2023      |                       | 1,460.34           |                        | 1,242.26           |                | 218.08            |                   |
| 9/2/2023      | 3,137.80              | 1,460.34           | 3,252.76               | 1,242.26           | (114.96)       | 218.08            | 321.20            |
| 3/2/2024      |                       | 1,365.44           |                        | 1,160.94           |                | 204.50            |                   |
| 9/2/2024      | 3,367.39              | 1,365.44           | 3,433.47               | 1,160.94           | (66.08)        | 204.50            | 342.92            |
| 3/2/2025      |                       | 1,262.31           |                        | 1,075.10           |                | 187.21            |                   |
| 9/2/2025      | 3,520.45              | 1,262.31           | 3,523.82               | 1,075.10           | (3.37)         | 187.21            | 371.05            |
| 3/2/2026      |                       | 1,154.18           |                        | 987.01             |                | 167.17            |                   |
| 9/2/2026      | 3,750.05              | 1,154.18           | 3,794.88               | 987.01             | (44.83)        | 167.17            | 289.51            |
| 3/2/2027      |                       | 1,038.99           |                        | 889.76             |                | 149.23            |                   |
| 9/2/2027      | 4,056.18              | 1,038.99           | 3,975.59               | 889.76             | 80.59          | 149.23            | 379.05            |
| 3/2/2028      |                       | 914.40             |                        | 787.89             |                | 126.51            |                   |
| 9/2/2028      | 4,209.24              | 914.40             | 4,156.30               | 787.89             | 52.94          | 126.51            | 305.96            |
| 3/2/2029      |                       | 785.12             |                        | 678.79             |                | 106.33            |                   |
| 9/2/2029      | 4,515.37              | 785.12             | 4,427.36               | 678.79             | 88.01          | 106.33            | 300.67            |
| 3/2/2030      |                       | 646.43             |                        | 559.80             |                | 86.63             |                   |
| 9/2/2030      | 4,821.49              | 646.43             | 4,608.07               | 559.80             | 213.42         | 86.63             | 386.68            |
| 3/2/2031      |                       | 498.35             |                        | 435.96             |                | 62.39             |                   |
| 9/2/2031      | 5,051.09              | 498.35             | 4,788.78               | 435.96             | 262.31         | 62.39             | 387.09            |
| 3/2/2032      |                       | 343.20             |                        | 304.27             |                | 38.93             |                   |
| 9/2/2032      | 5,433.75              | 343.20             | 5,150.20               | 304.27             | 283.55         | 38.93             | 361.41            |
| 3/2/2033      |                       | 176.30             |                        | 162.64             |                | 13.66             |                   |
| 9/2/2033      | 5,739.87              | 176.30             | 5,421.26               | 162.64             | 318.61         | 13.66             | 345.93            |
| <b>Totals</b> | <b>\$69,261.13</b>    | <b>\$52,384.52</b> | <b>\$69,211.43</b>     | <b>\$45,457.84</b> | <b>\$49.70</b> | <b>\$6,926.68</b> | <b>\$6,976.38</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-62-00**

**REASSESSMENT NUMBER: 14**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Savings        |                   | Annual Total      |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|-------------------|-------------------|
|               | Principal             | Interest           | Principal              | Interest           | Principal      | Interest          |                   |
| 3/2/2014      |                       | \$2,082.60         |                        | \$2,364.72         |                | (\$282.12)        |                   |
| 9/2/2014      | \$1,913.29            | 2,082.60           | \$1,445.67             | 1,773.54           | \$467.62       | 309.06            | \$494.56          |
| 3/2/2015      |                       | 2,032.01           |                        | 1,737.40           |                | 294.61            |                   |
| 9/2/2015      | 1,989.82              | 2,032.01           | 2,258.86               | 1,737.40           | (269.04)       | 294.61            | 320.18            |
| 3/2/2016      |                       | 1,977.98           |                        | 1,692.22           |                | 285.76            |                   |
| 9/2/2016      | 2,142.89              | 1,977.98           | 2,439.57               | 1,692.22           | (296.68)       | 285.76            | 274.84            |
| 3/2/2017      |                       | 1,918.38           |                        | 1,643.43           |                | 274.95            |                   |
| 9/2/2017      | 2,295.95              | 1,918.38           | 2,439.57               | 1,643.43           | (143.62)       | 274.95            | 406.28            |
| 3/2/2018      |                       | 1,853.37           |                        | 1,594.64           |                | 258.73            |                   |
| 9/2/2018      | 2,372.48              | 1,853.37           | 2,529.92               | 1,594.64           | (157.44)       | 258.73            | 360.02            |
| 3/2/2019      |                       | 1,785.33           |                        | 1,531.39           |                | 253.94            |                   |
| 9/2/2019      | 2,525.54              | 1,785.33           | 2,710.63               | 1,531.39           | (185.09)       | 253.94            | 322.79            |
| 3/2/2020      |                       | 1,711.82           |                        | 1,463.63           |                | 248.19            |                   |
| 9/2/2020      | 2,602.08              | 1,711.82           | 2,800.98               | 1,463.63           | (198.90)       | 248.19            | 297.48            |
| 3/2/2021      |                       | 1,635.14           |                        | 1,393.60           |                | 241.54            |                   |
| 9/2/2021      | 2,831.67              | 1,635.14           | 2,981.69               | 1,393.60           | (150.02)       | 241.54            | 333.06            |
| 3/2/2022      |                       | 1,550.57           |                        | 1,319.06           |                | 231.51            |                   |
| 9/2/2022      | 2,984.73              | 1,550.57           | 3,072.05               | 1,319.06           | (87.32)        | 231.51            | 375.70            |
| 3/2/2023      |                       | 1,460.34           |                        | 1,242.26           |                | 218.08            |                   |
| 9/2/2023      | 3,137.80              | 1,460.34           | 3,252.76               | 1,242.26           | (114.96)       | 218.08            | 321.20            |
| 3/2/2024      |                       | 1,365.44           |                        | 1,160.94           |                | 204.50            |                   |
| 9/2/2024      | 3,367.39              | 1,365.44           | 3,433.47               | 1,160.94           | (66.08)        | 204.50            | 342.92            |
| 3/2/2025      |                       | 1,262.31           |                        | 1,075.10           |                | 187.21            |                   |
| 9/2/2025      | 3,520.45              | 1,262.31           | 3,523.82               | 1,075.10           | (3.37)         | 187.21            | 371.05            |
| 3/2/2026      |                       | 1,154.18           |                        | 987.01             |                | 167.17            |                   |
| 9/2/2026      | 3,750.05              | 1,154.18           | 3,794.88               | 987.01             | (44.83)        | 167.17            | 289.51            |
| 3/2/2027      |                       | 1,038.99           |                        | 889.76             |                | 149.23            |                   |
| 9/2/2027      | 4,056.18              | 1,038.99           | 3,975.59               | 889.76             | 80.59          | 149.23            | 379.05            |
| 3/2/2028      |                       | 914.40             |                        | 787.89             |                | 126.51            |                   |
| 9/2/2028      | 4,209.24              | 914.40             | 4,156.30               | 787.89             | 52.94          | 126.51            | 305.96            |
| 3/2/2029      |                       | 785.12             |                        | 678.79             |                | 106.33            |                   |
| 9/2/2029      | 4,515.37              | 785.12             | 4,427.36               | 678.79             | 88.01          | 106.33            | 300.67            |
| 3/2/2030      |                       | 646.43             |                        | 559.80             |                | 86.63             |                   |
| 9/2/2030      | 4,821.49              | 646.43             | 4,608.07               | 559.80             | 213.42         | 86.63             | 386.68            |
| 3/2/2031      |                       | 498.35             |                        | 435.96             |                | 62.39             |                   |
| 9/2/2031      | 5,051.09              | 498.35             | 4,788.78               | 435.96             | 262.31         | 62.39             | 387.09            |
| 3/2/2032      |                       | 343.20             |                        | 304.27             |                | 38.93             |                   |
| 9/2/2032      | 5,433.75              | 343.20             | 5,150.20               | 304.27             | 283.55         | 38.93             | 361.41            |
| 3/2/2033      |                       | 176.30             |                        | 162.64             |                | 13.66             |                   |
| 9/2/2033      | 5,739.87              | 176.30             | 5,421.26               | 162.64             | 318.61         | 13.66             | 345.93            |
| <b>Totals</b> | <b>\$69,261.13</b>    | <b>\$52,384.52</b> | <b>\$69,211.43</b>     | <b>\$45,457.84</b> | <b>\$49.70</b> | <b>\$6,926.68</b> | <b>\$6,976.38</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-63-00**

**REASSESSMENT NUMBER: 15**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Savings        |                    | Annual Total       |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|--------------------|--------------------|
|               | Principal             | Interest           | Principal              | Interest           | Principal      | Interest           |                    |
| 3/2/2014      |                       | \$3,497.19         |                        | \$3,970.95         |                | (\$473.76)         |                    |
| 9/2/2014      | \$3,212.88            | 3,497.19           | \$2,427.63             | 2,978.21           | \$785.25       | 518.98             | \$830.47           |
| 3/2/2015      |                       | 3,412.24           |                        | 2,917.52           |                | 494.72             |                    |
| 9/2/2015      | 3,341.40              | 3,412.24           | 3,793.18               | 2,917.52           | (451.78)       | 494.72             | 537.66             |
| 3/2/2016      |                       | 3,321.51           |                        | 2,841.66           |                | 479.85             |                    |
| 9/2/2016      | 3,598.43              | 3,321.51           | 4,096.63               | 2,841.66           | (498.20)       | 479.85             | 461.50             |
| 3/2/2017      |                       | 3,221.43           |                        | 2,759.73           |                | 461.70             |                    |
| 9/2/2017      | 3,855.46              | 3,221.43           | 4,096.63               | 2,759.73           | (241.17)       | 461.70             | 682.23             |
| 3/2/2018      |                       | 3,112.26           |                        | 2,677.79           |                | 434.47             |                    |
| 9/2/2018      | 3,983.98              | 3,112.26           | 4,248.36               | 2,677.79           | (264.38)       | 434.47             | 604.56             |
| 3/2/2019      |                       | 2,998.01           |                        | 2,571.58           |                | 426.43             |                    |
| 9/2/2019      | 4,241.01              | 2,998.01           | 4,551.81               | 2,571.58           | (310.80)       | 426.43             | 542.06             |
| 3/2/2020      |                       | 2,874.57           |                        | 2,457.79           |                | 416.78             |                    |
| 9/2/2020      | 4,369.52              | 2,874.57           | 4,703.54               | 2,457.79           | (334.02)       | 416.78             | 499.54             |
| 3/2/2021      |                       | 2,745.80           |                        | 2,340.20           |                | 405.60             |                    |
| 9/2/2021      | 4,755.07              | 2,745.80           | 5,006.99               | 2,340.20           | (251.92)       | 405.60             | 559.28             |
| 3/2/2022      |                       | 2,603.79           |                        | 2,215.03           |                | 388.76             |                    |
| 9/2/2022      | 5,012.10              | 2,603.79           | 5,158.72               | 2,215.03           | (146.62)       | 388.76             | 630.90             |
| 3/2/2023      |                       | 2,452.27           |                        | 2,086.06           |                | 366.21             |                    |
| 9/2/2023      | 5,269.13              | 2,452.27           | 5,462.18               | 2,086.06           | (193.05)       | 366.21             | 539.37             |
| 3/2/2024      |                       | 2,292.91           |                        | 1,949.50           |                | 343.41             |                    |
| 9/2/2024      | 5,654.68              | 2,292.91           | 5,765.63               | 1,949.50           | (110.95)       | 343.41             | 575.87             |
| 3/2/2025      |                       | 2,119.73           |                        | 1,805.36           |                | 314.37             |                    |
| 9/2/2025      | 5,911.71              | 2,119.73           | 5,917.36               | 1,805.36           | (5.65)         | 314.37             | 623.09             |
| 3/2/2026      |                       | 1,938.16           |                        | 1,657.43           |                | 280.73             |                    |
| 9/2/2026      | 6,297.25              | 1,938.16           | 6,372.54               | 1,657.43           | (75.29)        | 280.73             | 486.17             |
| 3/2/2027      |                       | 1,744.72           |                        | 1,494.13           |                | 250.59             |                    |
| 9/2/2027      | 6,811.32              | 1,744.72           | 6,675.99               | 1,494.13           | 135.33         | 250.59             | 636.51             |
| 3/2/2028      |                       | 1,535.50           |                        | 1,323.06           |                | 212.44             |                    |
| 9/2/2028      | 7,068.35              | 1,535.50           | 6,979.45               | 1,323.06           | 88.90          | 212.44             | 513.78             |
| 3/2/2029      |                       | 1,318.41           |                        | 1,139.85           |                | 178.56             |                    |
| 9/2/2029      | 7,582.41              | 1,318.41           | 7,434.63               | 1,139.85           | 147.78         | 178.56             | 504.90             |
| 3/2/2030      |                       | 1,085.52           |                        | 940.04             |                | 145.48             |                    |
| 9/2/2030      | 8,096.47              | 1,085.52           | 7,738.08               | 940.04             | 358.39         | 145.48             | 649.35             |
| 3/2/2031      |                       | 836.84             |                        | 732.08             |                | 104.76             |                    |
| 9/2/2031      | 8,482.01              | 836.84             | 8,041.54               | 732.08             | 440.47         | 104.76             | 649.99             |
| 3/2/2032      |                       | 576.31             |                        | 510.94             |                | 65.37              |                    |
| 9/2/2032      | 9,124.59              | 576.31             | 8,648.45               | 510.94             | 476.14         | 65.37              | 606.88             |
| 3/2/2033      |                       | 296.05             |                        | 273.11             |                | 22.94              |                    |
| 9/2/2033      | 9,638.65              | 296.05             | 9,103.63               | 273.11             | 535.02         | 22.94              | 580.90             |
| <b>Totals</b> | <b>\$116,306.42</b>   | <b>\$87,966.44</b> | <b>\$116,222.97</b>    | <b>\$76,334.88</b> | <b>\$83.45</b> | <b>\$11,631.56</b> | <b>\$11,715.01</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-67-00**

**REASSESSMENT NUMBER: 16**

| Payment Date  | Refunded Amortization |                     | Refunding Amortization |                    | Savings         |                    | Annual Total       |
|---------------|-----------------------|---------------------|------------------------|--------------------|-----------------|--------------------|--------------------|
|               | Principal             | Interest            | Principal              | Interest           | Principal       | Interest           |                    |
| 3/2/2014      |                       | \$4,303.88          |                        | \$4,886.92         |                 | (\$583.04)         |                    |
| 9/2/2014      | \$3,953.99            | 4,303.88            | \$2,987.61             | 3,665.19           | \$966.38        | 638.69             | \$1,022.03         |
| 3/2/2015      |                       | 4,199.33            |                        | 3,590.50           |                 | 608.83             |                    |
| 9/2/2015      | 4,112.15              | 4,199.33            | 4,668.14               | 3,590.50           | (555.99)        | 608.83             | 661.67             |
| 3/2/2016      |                       | 4,087.67            |                        | 3,497.14           |                 | 590.53             |                    |
| 9/2/2016      | 4,428.47              | 4,087.67            | 5,041.59               | 3,497.14           | (613.12)        | 590.53             | 567.94             |
| 3/2/2017      |                       | 3,964.51            |                        | 3,396.30           |                 | 568.21             |                    |
| 9/2/2017      | 4,744.79              | 3,964.51            | 5,041.59               | 3,396.30           | (296.80)        | 568.21             | 839.62             |
| 3/2/2018      |                       | 3,830.15            |                        | 3,295.47           |                 | 534.68             |                    |
| 9/2/2018      | 4,902.95              | 3,830.15            | 5,228.31               | 3,295.47           | (325.36)        | 534.68             | 744.00             |
| 3/2/2019      |                       | 3,689.55            |                        | 3,164.76           |                 | 524.79             |                    |
| 9/2/2019      | 5,219.27              | 3,689.55            | 5,601.77               | 3,164.76           | (382.50)        | 524.79             | 667.08             |
| 3/2/2020      |                       | 3,537.63            |                        | 3,024.72           |                 | 512.91             |                    |
| 9/2/2020      | 5,377.43              | 3,537.63            | 5,788.49               | 3,024.72           | (411.06)        | 512.91             | 614.76             |
| 3/2/2021      |                       | 3,379.16            |                        | 2,880.01           |                 | 499.15             |                    |
| 9/2/2021      | 5,851.91              | 3,379.16            | 6,161.94               | 2,880.01           | (310.03)        | 499.15             | 688.27             |
| 3/2/2022      |                       | 3,204.39            |                        | 2,725.96           |                 | 478.43             |                    |
| 9/2/2022      | 6,168.22              | 3,204.39            | 6,348.67               | 2,725.96           | (180.45)        | 478.43             | 776.41             |
| 3/2/2023      |                       | 3,017.92            |                        | 2,567.24           |                 | 450.68             |                    |
| 9/2/2023      | 6,484.54              | 3,017.92            | 6,722.12               | 2,567.24           | (237.58)        | 450.68             | 663.78             |
| 3/2/2024      |                       | 2,821.80            |                        | 2,399.19           |                 | 422.61             |                    |
| 9/2/2024      | 6,959.02              | 2,821.80            | 7,095.57               | 2,399.19           | (136.55)        | 422.61             | 708.67             |
| 3/2/2025      |                       | 2,608.68            |                        | 2,221.80           |                 | 386.88             |                    |
| 9/2/2025      | 7,275.34              | 2,608.68            | 7,282.29               | 2,221.80           | (6.95)          | 386.88             | 766.81             |
| 3/2/2026      |                       | 2,385.22            |                        | 2,039.74           |                 | 345.48             |                    |
| 9/2/2026      | 7,749.82              | 2,385.22            | 7,842.47               | 2,039.74           | (92.65)         | 345.48             | 598.31             |
| 3/2/2027      |                       | 2,147.17            |                        | 1,838.78           |                 | 308.39             |                    |
| 9/2/2027      | 8,382.46              | 2,147.17            | 8,215.92               | 1,838.78           | 166.54          | 308.39             | 783.32             |
| 3/2/2028      |                       | 1,889.69            |                        | 1,628.25           |                 | 261.44             |                    |
| 9/2/2028      | 8,698.78              | 1,889.69            | 8,589.37               | 1,628.25           | 109.41          | 261.44             | 632.29             |
| 3/2/2029      |                       | 1,622.52            |                        | 1,402.78           |                 | 219.74             |                    |
| 9/2/2029      | 9,331.42              | 1,622.52            | 9,149.55               | 1,402.78           | 181.87          | 219.74             | 621.35             |
| 3/2/2030      |                       | 1,335.91            |                        | 1,156.88           |                 | 179.03             |                    |
| 9/2/2030      | 9,964.05              | 1,335.91            | 9,523.00               | 1,156.88           | 441.05          | 179.03             | 799.11             |
| 3/2/2031      |                       | 1,029.88            |                        | 900.95             |                 | 128.93             |                    |
| 9/2/2031      | 10,438.53             | 1,029.88            | 9,896.45               | 900.95             | 542.08          | 128.93             | 799.94             |
| 3/2/2032      |                       | 709.25              |                        | 628.80             |                 | 80.45              |                    |
| 9/2/2032      | 11,229.33             | 709.25              | 10,643.35              | 628.80             | 585.98          | 80.45              | 746.88             |
| 3/2/2033      |                       | 364.34              |                        | 336.11             |                 | 28.23              |                    |
| 9/2/2033      | 11,861.97             | 364.34              | 11,203.53              | 336.11             | 658.44          | 28.23              | 714.90             |
| <b>Totals</b> | <b>\$143,134.44</b>   | <b>\$108,257.30</b> | <b>\$143,031.74</b>    | <b>\$93,942.87</b> | <b>\$102.71</b> | <b>\$14,314.43</b> | <b>\$14,417.14</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-68-00**

**REASSESSMENT NUMBER: 17**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Savings        |                   | Annual Total      |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|-------------------|-------------------|
|               | Principal             | Interest           | Principal              | Interest           | Principal      | Interest          |                   |
| 3/2/2014      |                       | \$1,701.99         |                        | \$1,932.55         |                | (\$230.56)        |                   |
| 9/2/2014      | \$1,563.62            | 1,701.99           | \$1,181.46             | 1,449.42           | \$382.16       | 252.57            | \$404.17          |
| 3/2/2015      |                       | 1,660.65           |                        | 1,419.88           |                | 240.77            |                   |
| 9/2/2015      | 1,626.17              | 1,660.65           | 1,846.04               | 1,419.88           | (219.87)       | 240.77            | 261.67            |
| 3/2/2016      |                       | 1,616.49           |                        | 1,382.96           |                | 233.53            |                   |
| 9/2/2016      | 1,751.26              | 1,616.49           | 1,993.72               | 1,382.96           | (242.46)       | 233.53            | 224.60            |
| 3/2/2017      |                       | 1,567.78           |                        | 1,343.08           |                | 224.70            |                   |
| 9/2/2017      | 1,876.35              | 1,567.78           | 1,993.72               | 1,343.08           | (117.37)       | 224.70            | 332.03            |
| 3/2/2018      |                       | 1,514.65           |                        | 1,303.21           |                | 211.44            |                   |
| 9/2/2018      | 1,938.89              | 1,514.65           | 2,067.56               | 1,303.21           | (128.67)       | 211.44            | 294.21            |
| 3/2/2019      |                       | 1,459.05           |                        | 1,251.52           |                | 207.53            |                   |
| 9/2/2019      | 2,063.98              | 1,459.05           | 2,215.24               | 1,251.52           | (151.26)       | 207.53            | 263.80            |
| 3/2/2020      |                       | 1,398.97           |                        | 1,196.14           |                | 202.83            |                   |
| 9/2/2020      | 2,126.53              | 1,398.97           | 2,289.08               | 1,196.14           | (162.55)       | 202.83            | 243.11            |
| 3/2/2021      |                       | 1,336.30           |                        | 1,138.91           |                | 197.39            |                   |
| 9/2/2021      | 2,314.16              | 1,336.30           | 2,436.77               | 1,138.91           | (122.61)       | 197.39            | 272.17            |
| 3/2/2022      |                       | 1,267.19           |                        | 1,077.99           |                | 189.20            |                   |
| 9/2/2022      | 2,439.25              | 1,267.19           | 2,510.61               | 1,077.99           | (71.36)        | 189.20            | 307.04            |
| 3/2/2023      |                       | 1,193.45           |                        | 1,015.23           |                | 178.22            |                   |
| 9/2/2023      | 2,564.34              | 1,193.45           | 2,658.29               | 1,015.23           | (93.95)        | 178.22            | 262.49            |
| 3/2/2024      |                       | 1,115.90           |                        | 948.77             |                | 167.13            |                   |
| 9/2/2024      | 2,751.98              | 1,115.90           | 2,805.97               | 948.77             | (53.99)        | 167.13            | 280.27            |
| 3/2/2025      |                       | 1,031.62           |                        | 878.62             |                | 153.00            |                   |
| 9/2/2025      | 2,877.07              | 1,031.62           | 2,879.82               | 878.62             | (2.75)         | 153.00            | 303.25            |
| 3/2/2026      |                       | 943.25             |                        | 806.63             |                | 136.62            |                   |
| 9/2/2026      | 3,064.70              | 943.25             | 3,101.34               | 806.63             | (36.64)        | 136.62            | 236.60            |
| 3/2/2027      |                       | 849.11             |                        | 727.15             |                | 121.96            |                   |
| 9/2/2027      | 3,314.88              | 849.11             | 3,249.02               | 727.15             | 65.86          | 121.96            | 309.78            |
| 3/2/2028      |                       | 747.29             |                        | 643.90             |                | 103.39            |                   |
| 9/2/2028      | 3,439.97              | 747.29             | 3,396.71               | 643.90             | 43.26          | 103.39            | 250.04            |
| 3/2/2029      |                       | 641.63             |                        | 554.73             |                | 86.90             |                   |
| 9/2/2029      | 3,690.15              | 641.63             | 3,618.23               | 554.73             | 71.92          | 86.90             | 245.72            |
| 3/2/2030      |                       | 528.29             |                        | 457.49             |                | 70.80             |                   |
| 9/2/2030      | 3,940.33              | 528.29             | 3,765.91               | 457.49             | 174.42         | 70.80             | 316.02            |
| 3/2/2031      |                       | 407.27             |                        | 356.28             |                | 50.99             |                   |
| 9/2/2031      | 4,127.97              | 407.27             | 3,913.60               | 356.28             | 214.37         | 50.99             | 316.35            |
| 3/2/2032      |                       | 280.47             |                        | 248.66             |                | 31.81             |                   |
| 9/2/2032      | 4,440.69              | 280.47             | 4,208.96               | 248.66             | 231.73         | 31.81             | 295.35            |
| 3/2/2033      |                       | 144.08             |                        | 132.91             |                | 11.17             |                   |
| 9/2/2033      | 4,690.87              | 144.08             | 4,430.49               | 132.91             | 260.38         | 11.17             | 282.72            |
| <b>Totals</b> | <b>\$56,603.16</b>    | <b>\$42,810.86</b> | <b>\$56,562.55</b>     | <b>\$37,150.09</b> | <b>\$40.62</b> | <b>\$5,660.77</b> | <b>\$5,701.39</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-69-00**

**REASSESSMENT NUMBER: 18**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Principal      | Savings           |          | Annual Total      |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|-------------------|----------|-------------------|
|               | Principal             | Interest           | Principal              | Interest           |                | Principal         | Interest |                   |
| 3/2/2014      |                       | \$1,799.80         |                        | \$2,043.62         |                | (\$243.82)        |          |                   |
| 9/2/2014      | \$1,653.49            | 1,799.80           | \$1,249.36             | 1,532.72           | \$404.13       | 267.08            |          | \$427.39          |
| 3/2/2015      |                       | 1,756.09           |                        | 1,501.48           |                | 254.61            |          |                   |
| 9/2/2015      | 1,719.63              | 1,756.09           | 1,952.13               | 1,501.48           | (232.50)       | 254.61            |          | 276.72            |
| 3/2/2016      |                       | 1,709.39           |                        | 1,462.44           |                | 246.95            |          |                   |
| 9/2/2016      | 1,851.91              | 1,709.39           | 2,108.30               | 1,462.44           | (256.39)       | 246.95            |          | 237.51            |
| 3/2/2017      |                       | 1,657.88           |                        | 1,420.27           |                | 237.61            |          |                   |
| 9/2/2017      | 1,984.18              | 1,657.88           | 2,108.30               | 1,420.27           | (124.12)       | 237.61            |          | 351.10            |
| 3/2/2018      |                       | 1,601.70           |                        | 1,378.11           |                | 223.59            |          |                   |
| 9/2/2018      | 2,050.32              | 1,601.70           | 2,186.39               | 1,378.11           | (136.07)       | 223.59            |          | 311.11            |
| 3/2/2019      |                       | 1,542.90           |                        | 1,323.45           |                | 219.45            |          |                   |
| 9/2/2019      | 2,182.60              | 1,542.90           | 2,342.56               | 1,323.45           | (159.96)       | 219.45            |          | 278.94            |
| 3/2/2020      |                       | 1,479.37           |                        | 1,264.88           |                | 214.49            |          |                   |
| 9/2/2020      | 2,248.74              | 1,479.37           | 2,420.64               | 1,264.88           | (171.90)       | 214.49            |          | 257.08            |
| 3/2/2021      |                       | 1,413.10           |                        | 1,204.37           |                | 208.73            |          |                   |
| 9/2/2021      | 2,447.16              | 1,413.10           | 2,576.81               | 1,204.37           | (129.65)       | 208.73            |          | 287.81            |
| 3/2/2022      |                       | 1,340.02           |                        | 1,139.95           |                | 200.07            |          |                   |
| 9/2/2022      | 2,579.44              | 1,340.02           | 2,654.90               | 1,139.95           | (75.46)        | 200.07            |          | 324.68            |
| 3/2/2023      |                       | 1,262.04           |                        | 1,073.57           |                | 188.47            |          |                   |
| 9/2/2023      | 2,711.72              | 1,262.04           | 2,811.07               | 1,073.57           | (99.35)        | 188.47            |          | 277.59            |
| 3/2/2024      |                       | 1,180.03           |                        | 1,003.30           |                | 176.73            |          |                   |
| 9/2/2024      | 2,910.14              | 1,180.03           | 2,967.24               | 1,003.30           | (57.10)        | 176.73            |          | 296.36            |
| 3/2/2025      |                       | 1,090.90           |                        | 929.12             |                | 161.78            |          |                   |
| 9/2/2025      | 3,042.42              | 1,090.90           | 3,045.32               | 929.12             | (2.90)         | 161.78            |          | 320.66            |
| 3/2/2026      |                       | 997.46             |                        | 852.98             |                | 144.48            |          |                   |
| 9/2/2026      | 3,240.83              | 997.46             | 3,279.58               | 852.98             | (38.75)        | 144.48            |          | 250.21            |
| 3/2/2027      |                       | 897.91             |                        | 768.94             |                | 128.97            |          |                   |
| 9/2/2027      | 3,505.39              | 897.91             | 3,435.75               | 768.94             | 69.64          | 128.97            |          | 327.58            |
| 3/2/2028      |                       | 790.23             |                        | 680.90             |                | 109.33            |          |                   |
| 9/2/2028      | 3,637.67              | 790.23             | 3,591.92               | 680.90             | 45.75          | 109.33            |          | 264.41            |
| 3/2/2029      |                       | 678.51             |                        | 586.62             |                | 91.89             |          |                   |
| 9/2/2029      | 3,902.23              | 678.51             | 3,826.18               | 586.62             | 76.05          | 91.89             |          | 259.83            |
| 3/2/2030      |                       | 558.66             |                        | 483.79             |                | 74.87             |          |                   |
| 9/2/2030      | 4,166.79              | 558.66             | 3,982.35               | 483.79             | 184.44         | 74.87             |          | 334.18            |
| 3/2/2031      |                       | 430.68             |                        | 376.76             |                | 53.92             |          |                   |
| 9/2/2031      | 4,365.20              | 430.68             | 4,138.52               | 376.76             | 226.68         | 53.92             |          | 334.52            |
| 3/2/2032      |                       | 296.59             |                        | 262.95             |                | 33.64             |          |                   |
| 9/2/2032      | 4,695.90              | 296.59             | 4,450.86               | 262.95             | 245.04         | 33.64             |          | 312.32            |
| 3/2/2033      |                       | 152.36             |                        | 140.55             |                | 11.81             |          |                   |
| 9/2/2033      | 4,960.46              | 152.36             | 4,685.11               | 140.55             | 275.35         | 11.81             |          | 298.97            |
| <b>Totals</b> | <b>\$59,856.22</b>    | <b>\$45,271.24</b> | <b>\$59,813.27</b>     | <b>\$39,285.20</b> | <b>\$42.93</b> | <b>\$5,986.04</b> |          | <b>\$6,028.97</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-70-00**

**REASSESSMENT NUMBER: 19**

| Payment Date  | Refunded Amortization |                    | Refunding Amortization |                    | Savings        |                   | Annual Total      |
|---------------|-----------------------|--------------------|------------------------|--------------------|----------------|-------------------|-------------------|
|               | Principal             | Interest           | Principal              | Interest           | Principal      | Interest          |                   |
| 3/2/2014      |                       | \$2,856.21         |                        | \$3,243.14         |                | (\$386.93)        |                   |
| 9/2/2014      | \$2,624.01            | 2,856.21           | \$1,982.69             | 2,432.35           | \$641.32       | 423.86            | \$678.25          |
| 3/2/2015      |                       | 2,786.83           |                        | 2,382.79           |                | 404.04            |                   |
| 9/2/2015      | 2,728.97              | 2,786.83           | 3,097.95               | 2,382.79           | (368.98)       | 404.04            | 439.10            |
| 3/2/2016      |                       | 2,712.73           |                        | 2,320.83           |                | 391.90            |                   |
| 9/2/2016      | 2,938.89              | 2,712.73           | 3,345.78               | 2,320.83           | (406.89)       | 391.90            | 376.91            |
| 3/2/2017      |                       | 2,630.99           |                        | 2,253.91           |                | 377.08            |                   |
| 9/2/2017      | 3,148.81              | 2,630.99           | 3,345.78               | 2,253.91           | (196.97)       | 377.08            | 557.19            |
| 3/2/2018      |                       | 2,541.83           |                        | 2,186.99           |                | 354.84            |                   |
| 9/2/2018      | 3,253.77              | 2,541.83           | 3,469.70               | 2,186.99           | (215.93)       | 354.84            | 493.75            |
| 3/2/2019      |                       | 2,448.52           |                        | 2,100.25           |                | 348.27            |                   |
| 9/2/2019      | 3,463.70              | 2,448.52           | 3,717.54               | 2,100.25           | (253.84)       | 348.27            | 442.70            |
| 3/2/2020      |                       | 2,347.70           |                        | 2,007.31           |                | 340.39            |                   |
| 9/2/2020      | 3,568.66              | 2,347.70           | 3,841.45               | 2,007.31           | (272.79)       | 340.39            | 407.99            |
| 3/2/2021      |                       | 2,242.53           |                        | 1,911.28           |                | 331.25            |                   |
| 9/2/2021      | 3,883.54              | 2,242.53           | 4,089.29               | 1,911.28           | (205.75)       | 331.25            | 456.75            |
| 3/2/2022      |                       | 2,126.55           |                        | 1,809.05           |                | 317.50            |                   |
| 9/2/2022      | 4,093.46              | 2,126.55           | 4,213.21               | 1,809.05           | (119.75)       | 317.50            | 515.25            |
| 3/2/2023      |                       | 2,002.80           |                        | 1,703.72           |                | 299.08            |                   |
| 9/2/2023      | 4,303.38              | 2,002.80           | 4,461.04               | 1,703.72           | (157.66)       | 299.08            | 440.50            |
| 3/2/2024      |                       | 1,872.65           |                        | 1,592.19           |                | 280.46            |                   |
| 9/2/2024      | 4,618.26              | 1,872.65           | 4,708.88               | 1,592.19           | (90.62)        | 280.46            | 470.30            |
| 3/2/2025      |                       | 1,731.22           |                        | 1,474.47           |                | 256.75            |                   |
| 9/2/2025      | 4,828.18              | 1,731.22           | 4,832.80               | 1,474.47           | (4.62)         | 256.75            | 508.88            |
| 3/2/2026      |                       | 1,582.92           |                        | 1,353.65           |                | 229.27            |                   |
| 9/2/2026      | 5,143.06              | 1,582.92           | 5,204.55               | 1,353.65           | (61.49)        | 229.27            | 397.05            |
| 3/2/2027      |                       | 1,424.94           |                        | 1,220.28           |                | 204.66            |                   |
| 9/2/2027      | 5,562.90              | 1,424.94           | 5,452.39               | 1,220.28           | 110.51         | 204.66            | 519.83            |
| 3/2/2028      |                       | 1,254.07           |                        | 1,080.56           |                | 173.51            |                   |
| 9/2/2028      | 5,772.83              | 1,254.07           | 5,700.22               | 1,080.56           | 72.61          | 173.51            | 419.63            |
| 3/2/2029      |                       | 1,076.76           |                        | 930.93             |                | 145.83            |                   |
| 9/2/2029      | 6,192.67              | 1,076.76           | 6,071.97               | 930.93             | 120.70         | 145.83            | 412.36            |
| 3/2/2030      |                       | 886.56             |                        | 767.75             |                | 118.81            |                   |
| 9/2/2030      | 6,612.51              | 886.56             | 6,319.81               | 767.75             | 292.70         | 118.81            | 530.32            |
| 3/2/2031      |                       | 683.46             |                        | 597.90             |                | 85.56             |                   |
| 9/2/2031      | 6,927.39              | 683.46             | 6,567.65               | 597.90             | 359.74         | 85.56             | 530.86            |
| 3/2/2032      |                       | 470.68             |                        | 417.29             |                | 53.39             |                   |
| 9/2/2032      | 7,452.19              | 470.68             | 7,063.32               | 417.29             | 388.87         | 53.39             | 495.65            |
| 3/2/2033      |                       | 241.79             |                        | 223.05             |                | 18.74             |                   |
| 9/2/2033      | 7,872.03              | 241.79             | 7,435.07               | 223.05             | 436.96         | 18.74             | 474.44            |
| <b>Totals</b> | <b>\$94,989.21</b>    | <b>\$71,843.48</b> | <b>\$94,921.07</b>     | <b>\$62,343.89</b> | <b>\$68.12</b> | <b>\$9,499.59</b> | <b>\$9,567.71</b> |

**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-77-00**

**REASSESSMENT NUMBER: 20**

| Payment Date  | Refunded Amortization |                     | Refunding Amortization |                     | Savings         |                    | Annual Total       |
|---------------|-----------------------|---------------------|------------------------|---------------------|-----------------|--------------------|--------------------|
|               | Principal             | Interest            | Principal              | Interest            | Principal       | Interest           |                    |
| 3/2/2014      |                       | \$18,841.65         |                        | \$21,394.10         |                 | (\$2,552.45)       |                    |
| 9/2/2014      | \$17,309.90           | 18,841.65           | \$13,079.24            | 16,045.57           | \$4,230.66      | 2,796.08           | \$4,474.29         |
| 3/2/2015      |                       | 18,383.98           |                        | 15,718.59           |                 | 2,665.39           |                    |
| 9/2/2015      | 18,002.29             | 18,383.98           | 20,436.31              | 15,718.59           | (2,434.02)      | 2,665.39           | 2,896.76           |
| 3/2/2016      |                       | 17,895.14           |                        | 15,309.86           |                 | 2,585.28           |                    |
| 9/2/2016      | 19,387.08             | 17,895.14           | 22,071.22              | 15,309.86           | (2,684.14)      | 2,585.28           | 2,486.42           |
| 3/2/2017      |                       | 17,355.94           |                        | 14,868.44           |                 | 2,487.50           |                    |
| 9/2/2017      | 20,771.88             | 17,355.94           | 22,071.22              | 14,868.44           | (1,299.34)      | 2,487.50           | 3,675.66           |
| 3/2/2018      |                       | 16,767.75           |                        | 14,427.02           |                 | 2,340.73           |                    |
| 9/2/2018      | 21,464.27             | 16,767.75           | 22,888.67              | 14,427.02           | (1,424.40)      | 2,340.73           | 3,257.06           |
| 3/2/2019      |                       | 16,152.21           |                        | 13,854.80           |                 | 2,297.41           |                    |
| 9/2/2019      | 22,849.06             | 16,152.21           | 24,523.58              | 13,854.80           | (1,674.52)      | 2,297.41           | 2,920.30           |
| 3/2/2020      |                       | 15,487.16           |                        | 13,241.71           |                 | 2,245.45           |                    |
| 9/2/2020      | 23,541.46             | 15,487.16           | 25,341.03              | 13,241.71           | (1,799.57)      | 2,245.45           | 2,691.33           |
| 3/2/2021      |                       | 14,793.38           |                        | 12,608.18           |                 | 2,185.20           |                    |
| 9/2/2021      | 25,618.65             | 14,793.38           | 26,975.93              | 12,608.18           | (1,357.28)      | 2,185.20           | 3,013.12           |
| 3/2/2022      |                       | 14,028.29           |                        | 11,933.79           |                 | 2,094.50           |                    |
| 9/2/2022      | 27,003.44             | 14,028.29           | 27,793.39              | 11,933.79           | (789.95)        | 2,094.50           | 3,399.05           |
| 3/2/2023      |                       | 13,211.95           |                        | 11,238.95           |                 | 1,973.00           |                    |
| 9/2/2023      | 28,388.23             | 13,211.95           | 29,428.29              | 11,238.95           | (1,040.06)      | 1,973.00           | 2,905.94           |
| 3/2/2024      |                       | 12,353.38           |                        | 10,503.24           |                 | 1,850.14           |                    |
| 9/2/2024      | 30,465.42             | 12,353.38           | 31,063.20              | 10,503.24           | (597.78)        | 1,850.14           | 3,102.50           |
| 3/2/2025      |                       | 11,420.38           |                        | 9,726.66            |                 | 1,693.72           |                    |
| 9/2/2025      | 31,850.21             | 11,420.38           | 31,880.65              | 9,726.66            | (30.44)         | 1,693.72           | 3,357.00           |
| 3/2/2026      |                       | 10,442.11           |                        | 8,929.65            |                 | 1,512.46           |                    |
| 9/2/2026      | 33,927.40             | 10,442.11           | 34,333.01              | 8,929.65            | (405.61)        | 1,512.46           | 2,619.31           |
| 3/2/2027      |                       | 9,399.97            |                        | 8,049.86            |                 | 1,350.11           |                    |
| 9/2/2027      | 36,696.98             | 9,399.97            | 35,967.91              | 8,049.86            | 729.07          | 1,350.11           | 3,429.29           |
| 3/2/2028      |                       | 8,272.75            |                        | 7,128.19            |                 | 1,144.56           |                    |
| 9/2/2028      | 38,081.77             | 8,272.75            | 37,602.82              | 7,128.19            | 478.95          | 1,144.56           | 2,768.07           |
| 3/2/2029      |                       | 7,103.12            |                        | 6,141.11            |                 | 962.01             |                    |
| 9/2/2029      | 40,851.35             | 7,103.12            | 40,055.18              | 6,141.11            | 796.17          | 962.01             | 2,720.19           |
| 3/2/2030      |                       | 5,848.41            |                        | 5,064.63            |                 | 783.78             |                    |
| 9/2/2030      | 43,620.94             | 5,848.41            | 41,690.08              | 5,064.63            | 1,930.86        | 783.78             | 3,498.42           |
| 3/2/2031      |                       | 4,508.62            |                        | 3,944.21            |                 | 564.41             |                    |
| 9/2/2031      | 45,698.13             | 4,508.62            | 43,324.99              | 3,944.21            | 2,373.14        | 564.41             | 3,501.96           |
| 3/2/2032      |                       | 3,104.96            |                        | 2,752.77            |                 | 352.19             |                    |
| 9/2/2032      | 49,160.11             | 3,104.96            | 46,594.80              | 2,752.77            | 2,565.31        | 352.19             | 3,269.69           |
| 3/2/2033      |                       | 1,595.02            |                        | 1,471.41            |                 | 123.61             |                    |
| 9/2/2033      | 51,929.69             | 1,595.02            | 49,047.15              | 1,471.41            | 2,882.54        | 123.61             | 3,129.76           |
| <b>Totals</b> | <b>\$626,618.26</b>   | <b>\$473,932.34</b> | <b>\$626,168.67</b>    | <b>\$411,265.81</b> | <b>\$449.59</b> | <b>\$62,666.53</b> | <b>\$63,116.12</b> |



**Comparison of the Refunded Parcel's Amortization with the Refunding Parcel's Amortization**

**APN: 646-240-78-00**

**REASSESSMENT NUMBER: 21**

| Payment Date  | Refunded Amortization |                     | Refunding Amortization |                     | Savings         |                    | Annual Total       |
|---------------|-----------------------|---------------------|------------------------|---------------------|-----------------|--------------------|--------------------|
|               | Principal             | Interest            | Principal              | Interest            | Principal       | Interest           |                    |
| 3/2/2014      |                       | \$17,506.56         |                        | \$19,878.15         |                 | (\$2,371.59)       |                    |
| 9/2/2014      | \$16,083.35           | 17,506.56           | \$12,152.47            | 14,908.61           | \$3,930.88      | 2,597.95           | \$4,157.24         |
| 3/2/2015      |                       | 17,081.32           |                        | 14,604.80           |                 | 2,476.52           |                    |
| 9/2/2015      | 16,726.68             | 17,081.32           | 18,988.23              | 14,604.80           | (2,261.55)      | 2,476.52           | 2,691.49           |
| 3/2/2016      |                       | 16,627.12           |                        | 14,225.03           |                 | 2,402.09           |                    |
| 9/2/2016      | 18,013.35             | 16,627.12           | 20,507.29              | 14,225.03           | (2,493.94)      | 2,402.09           | 2,310.24           |
| 3/2/2017      |                       | 16,126.13           |                        | 13,814.89           |                 | 2,311.24           |                    |
| 9/2/2017      | 19,300.02             | 16,126.13           | 20,507.29              | 13,814.89           | (1,207.27)      | 2,311.24           | 3,415.21           |
| 3/2/2018      |                       | 15,579.62           |                        | 13,404.74           |                 | 2,174.88           |                    |
| 9/2/2018      | 19,943.35             | 15,579.62           | 21,266.82              | 13,404.74           | (1,323.47)      | 2,174.88           | 3,026.29           |
| 3/2/2019      |                       | 15,007.69           |                        | 12,873.07           |                 | 2,134.62           |                    |
| 9/2/2019      | 21,230.02             | 15,007.69           | 22,785.88              | 12,873.07           | (1,555.86)      | 2,134.62           | 2,713.38           |
| 3/2/2020      |                       | 14,389.77           |                        | 12,303.43           |                 | 2,086.34           |                    |
| 9/2/2020      | 21,873.35             | 14,389.77           | 23,545.41              | 12,303.43           | (1,672.06)      | 2,086.34           | 2,500.62           |
| 3/2/2021      |                       | 13,745.15           |                        | 11,714.79           |                 | 2,030.36           |                    |
| 9/2/2021      | 23,803.35             | 13,745.15           | 25,064.47              | 11,714.79           | (1,261.12)      | 2,030.36           | 2,799.60           |
| 3/2/2022      |                       | 13,034.27           |                        | 11,088.18           |                 | 1,946.09           |                    |
| 9/2/2022      | 25,090.02             | 13,034.27           | 25,824.00              | 11,088.18           | (733.98)        | 1,946.09           | 3,158.20           |
| 3/2/2023      |                       | 12,275.78           |                        | 10,442.58           |                 | 1,833.20           |                    |
| 9/2/2023      | 26,376.69             | 12,275.78           | 27,343.05              | 10,442.58           | (966.36)        | 1,833.20           | 2,700.04           |
| 3/2/2024      |                       | 11,478.04           |                        | 9,759.00            |                 | 1,719.04           |                    |
| 9/2/2024      | 28,306.69             | 11,478.04           | 28,862.11              | 9,759.00            | (555.42)        | 1,719.04           | 2,882.66           |
| 3/2/2025      |                       | 10,611.15           |                        | 9,037.45            |                 | 1,573.70           |                    |
| 9/2/2025      | 29,593.36             | 10,611.15           | 29,621.64              | 9,037.45            | (28.28)         | 1,573.70           | 3,119.12           |
| 3/2/2026      |                       | 9,702.20            |                        | 8,296.91            |                 | 1,405.29           |                    |
| 9/2/2026      | 31,523.36             | 9,702.20            | 31,900.23              | 8,296.91            | (376.87)        | 1,405.29           | 2,433.71           |
| 3/2/2027      |                       | 8,733.90            |                        | 7,479.46            |                 | 1,254.44           |                    |
| 9/2/2027      | 34,096.69             | 8,733.90            | 33,419.29              | 7,479.46            | 677.40          | 1,254.44           | 3,186.28           |
| 3/2/2028      |                       | 7,686.55            |                        | 6,623.10            |                 | 1,063.45           |                    |
| 9/2/2028      | 35,383.36             | 7,686.55            | 34,938.35              | 6,623.10            | 445.01          | 1,063.45           | 2,571.91           |
| 3/2/2029      |                       | 6,599.80            |                        | 5,705.96            |                 | 893.84             |                    |
| 9/2/2029      | 37,956.70             | 6,599.80            | 37,216.94              | 5,705.96            | 739.76          | 893.84             | 2,527.44           |
| 3/2/2030      |                       | 5,434.00            |                        | 4,705.76            |                 | 728.24             |                    |
| 9/2/2030      | 40,530.03             | 5,434.00            | 38,735.99              | 4,705.76            | 1,794.04        | 728.24             | 3,250.52           |
| 3/2/2031      |                       | 4,189.15            |                        | 3,664.73            |                 | 524.42             |                    |
| 9/2/2031      | 42,460.04             | 4,189.15            | 40,255.05              | 3,664.73            | 2,204.99        | 524.42             | 3,253.83           |
| 3/2/2032      |                       | 2,884.95            |                        | 2,557.71            |                 | 327.24             |                    |
| 9/2/2032      | 45,676.70             | 2,884.95            | 43,293.17              | 2,557.71            | 2,383.53        | 327.24             | 3,038.01           |
| 3/2/2033      |                       | 1,482.00            |                        | 1,367.15            |                 | 114.85             |                    |
| 9/2/2033      | 48,250.04             | 1,482.00            | 45,571.76              | 1,367.15            | 2,678.28        | 114.85             | 2,907.98           |
| <b>Totals</b> | <b>\$582,217.15</b>   | <b>\$440,350.30</b> | <b>\$581,799.44</b>    | <b>\$382,124.24</b> | <b>\$417.71</b> | <b>\$58,226.06</b> | <b>\$58,643.77</b> |

## REASSESSMENT ROLL

| <u>REASSMNT<br/>NUMBER</u> | <u>APN</u>    | <u>TOTAL AS<br/>PRELIMINARILY<br/>APPROVED</u> | <u>AS<br/>CONFIRMED<br/>AND RECORDED</u> |
|----------------------------|---------------|--|--|
| 1                          | 646-240-49-00 | \$432,112.63                                   | \$432,112.63                             |
| 2                          | 646-240-50-00 | 341,141.55                                     | 341,141.55                               |
| 3                          | 646-240-51-00 | 430,813.04                                     | 430,813.04                               |
| 4                          | 646-240-52-00 | 57,458.55                                      | 57,458.55                                |
| 5                          | 646-240-53-00 | 67,905.55                                      | 67,905.55                                |
| 6                          | 646-240-54-00 | 67,252.61                                      | 67,252.61                                |
| 7                          | 646-240-55-00 | 57,458.55                                      | 57,458.55                                |
| 8                          | 646-240-56-00 | 116,222.97                                     | 116,222.97                               |
| 9                          | 646-240-57-00 | 77,699.62                                      | 77,699.62                                |
| 10                         | 646-240-58-00 | 77,699.62                                      | 77,699.62                                |
| 11                         | 646-240-59-00 | 143,646.37                                     | 143,646.37                               |
| 12                         | 646-240-60-00 | 143,646.37                                     | 143,646.37                               |
| 13                         | 646-240-61-00 | 69,211.43                                      | 69,211.43                                |
| 14                         | 646-240-62-00 | 69,211.43                                      | 69,211.43                                |
| 15                         | 646-240-63-00 | 116,222.97                                     | 116,222.97                               |
| 16                         | 646-240-67-00 | 143,031.74                                     | 143,031.74                               |
| 17                         | 646-240-68-00 | 56,562.55                                      | 56,562.55                                |
| 18                         | 646-240-69-00 | 59,813.27                                      | 59,813.27                                |
| 19                         | 646-240-70-00 | 94,921.07                                      | 94,921.07                                |
| 20                         | 646-240-77-00 | 626,168.67                                     | 626,168.67                               |
| 21                         | 646-240-78-00 | <u>581,799.44</u>                              | <u>581,799.44</u>                        |
| TOTAL                      |               | \$3,830,000.00                                 | \$3,830,000.00                           |

**NAMES AND ADDRESSES OF PROPERTY OWNERS**

| <u>REASSMNT<br/>NUMBER</u> | <u>APN</u>    | <u>OWNER <sup>(1)</sup></u>                | <u>SITE ADDRESS <sup>(1)</sup></u> | <u>MAILING ADDRESS <sup>(1)</sup></u> | <u>MAILING CITY <sup>(1)</sup></u> | <u>MAILING<br/>STATE <sup>(1)</sup></u> | <u>MAILING<br/>ZIP <sup>(1)</sup></u> |
|----------------------------|---------------|--|------------------------------------|---------------------------------------|------------------------------------|---|---------------------------------------|
| 1                          | 646-240-49-00 | WHALEN KENNETH J TRUST 07-01-05            | 1490 AIR WING RD                   | 1578 AIR WING RD                      | SAN DIEGO                          | CA                                      | 92154                                 |
| 2                          | 646-240-50-00 | LOT 18 OTAY MESA ROAD INC                  | 1540 AIR WING RD                   | 1578 AIR WING RD                      | SAN DIEGO                          | CA                                      | 92154                                 |
| 3                          | 646-240-51-00 | LOT 18 OTAY MESA ROAD INC                  | 1578 AIR WING RD                   | 1578 AIR WING RD                      | SAN DIEGO                          | CA                                      | 92154                                 |
| 4                          | 646-240-52-00 | NORMAN RALPH S                             | 8715 DEAD STICK RD                 | 8715 DEAD STICK RD                    | SAN DIEGO                          | CA                                      | 92154                                 |
| 5                          | 646-240-53-00 | JIPSON L L C                               | 8735 DEAD STICK RD                 | 8735 DEAD STICK RD                    | SAN DIEGO                          | CA                                      | 92154                                 |
| 6                          | 646-240-54-00 | MARINE J FAMILY L L C <sup>(2)</sup>       | 8785 DEAD STICK RD                 | 459 PARK AVE                          | SAN FERNANDO                       | CA                                      | 91340                                 |
| 7                          | 646-240-55-00 | IBARRA JAVIER & GARCIA-IBARRA ANGELICA     | 8785 DEAD STICK RD                 | 1001 HAWTHORNE CREEK DR               | CHULA VISTA                        | CA                                      | 91914                                 |
| 8                          | 646-240-56-00 | ENTERPRISE PROPERTIES L L C                | 1360 PIPER RANCH RD                | 1888 E COLTON AVE                     | REDLANDS                           | CA                                      | 92374                                 |
| 9                          | 646-240-57-00 | R D J FRESH PRODUCE L L C                  | 1400 PIPER RANCH RD                | 1400 PIPER RANCH RD                   | SAN DIEGO                          | CA                                      | 92154                                 |
| 10                         | 646-240-58-00 | GUTIERREZ DANTE                            | 1410 PIPER RANCH RD                | PO BOX 210776                         | CHULA VISTA                        | CA                                      | 91921                                 |
| 11                         | 646-240-59-00 | CASTANEDA MAURICIO                         | 8774 APPROACH RD                   | 8774 APROACH RD                       | SAN DIEGO                          | CA                                      | 92154                                 |
| 12                         | 646-240-60-00 | CHEN LLOYD L & DONG LIPING                 | 8724 APPROACH RD                   | 21631 HIGH BLUFF RD                   | DIAMOND BAR                        | CA                                      | 91765                                 |
| 13                         | 646-240-61-00 | 1411 AIR WING L L C                        | 1411 AIR WING RD                   | 5757 WESTHEIMER RD #3-148             | HOUSTON                            | TX                                      | 77057                                 |
| 14                         | 646-240-62-00 | AIR WING L L C                             | 1401 AIR WING RD                   | 1401 AIR WING RD                      | SAN DIEGO                          | CA                                      | 92154                                 |
| 15                         | 646-240-63-00 | 1351 AIR WING L L C                        | 1351 AIR WING RD                   | 7 RIENZI LN                           | HIGHWOOD                           | IL                                      | 60040                                 |
| 16                         | 646-240-67-00 | R C J PROPERTIES L L C                     | 1207 AIR WING RD                   | 1670 ETIWANDA AVE                     | ONTARIO                            | CA                                      | 91761                                 |
| 17                         | 646-240-68-00 | CORONADO JUAN                              | 8710 DEAD STICK RD                 | 8710 DEAD STICK RD                    | SAN DIEGO                          | CA                                      | 92154                                 |
| 18                         | 646-240-69-00 | CHOI HWA SIK                               | 1202 PIPER RANCH RD                | 2177 BRITANNIA BLVD                   | SAN DIEGO                          | CA                                      | 92154                                 |
| 19                         | 646-240-70-00 | BURBOA FRANCISCO J B FAMILY TRUST 10-21-81 | 1200 PIPER RANCH RD                | 6453 CAMINITO BALTUSRAL               | LA JOLLA                           | CA                                      | 92037                                 |
| 20                         | 646-240-77-00 | GRANITE PIPER RANCH L P                    | 1210 AIR WING RD                   | 5694 MISSION CENTER RD #602-8         | SAN DIEGO                          | CA                                      | 92108                                 |
| 21                         | 646-240-78-00 | GRANITE PIPER RANCH L P                    | 1320 AIR WING RD                   | 5694 MISSION CENTER RD #602-8         | SAN DIEGO                          | CA                                      | 92108                                 |

(1) Owner and Mailing Address is per the San Diego County Assessor as of January 2013.

(2) Marine J Family LLC appears on the County Assessor's Roll for Fiscal Year 2012/13 as the owner of this parcel. A grant deed dated May 21, 2013 was recorded on May 24, 2013 conveying the parcel to BHY Realty, LLC, a California limited liability company.

## **METHOD OF REASSESSMENT**

Each Reassessment has been computed as a proration of the existing individual assessments to the total existing assessment.

The following is a summary of the improvements from the Engineer's Report prepared at the time of formation of the assessment district:

**STREET IMPROVEMENTS.** The roads (e.g., Piper Ranch Road, Aviator Road, Air Wing Road, Approach Road, and Dead Stick Road) will include curb and gutter, sidewalk, pedestrian ramps, berms, monuments, and street lights.

**SEWER IMPROVEMENTS.** The sewer mainlines including manholes, lot laterals, and cleanouts are to be located in Otay Mesa Road, Piper Ranch Road, Air Wing Road, and along the assessment district's western boundary.

**STORM DRAIN IMPROVEMENTS.** Storm drain consist of reinforced concrete pipe, cleanouts, curb inlets, and concrete lined drainage channel.

The following restates the method of assessment from the Engineer's Report prepared at the time of formation of the assessment district:

The purpose of this Assessment District is to fund the acquisition of improvements necessary for the properties to develop to their highest and best use. Special benefit accrues to each parcel to be subdivided and served by the facilities to be constructed. Only improvements conferring special benefit are included in the cost estimate. All improvements determined to be of general benefit are excluded from the consideration within the Assessment District.

The Assessment District improvements satisfy conditions of development by providing access, storm drain mitigation and backbone utilities, so that the project can support its planned uses. Without the improvements, the parcels within the Assessment District could not develop into their planned and approved uses.

The special benefit costs are apportioned as follows:

The Street Improvements, Sewer Improvements and Storm Drain Improvements were designed to provide benefit to the assessed parcels based upon the maximum potential utilization of the parcels. The factors considered in the maximum potential utilization of the parcels are the approved land use and the parcel's acreage. The land use determines the type and intensity of utilization upon the parcels. The parcel's acreage limits the amount of development, such as maximum building size, that may occur on a parcel. Since all the parcels to be assessed have the same land use classification, the remaining apportioning factor is acreage. Therefore, all acquisition costs are apportioned pro rata based upon the net acreage of each parcel.

The special benefit of the Indirect, District Formation and Bond Financing costs are apportioned prorata to each parcel based upon its share of the total construction cost.

All future apportionments of the Assessment shall be performed on the basis of net acreage of the newly created parcels.

## CERTIFICATIONS

1. I, the City Clerk of the City of San Diego, hereby certify that the foregoing Reassessment with the Reassessment Diagram thereto attached, was filed with me on June 6, 2013.

  
\_\_\_\_\_  
City Clerk

2. I, the City Clerk of the City of San Diego, hereby certify that the Reassessments set forth in Column (1) of the Reassessment Roll, with the Reassessment Diagram attached, were approved and confirmed by the City Council of said City on June 4, 2013.

  
\_\_\_\_\_  
City Clerk

3. I, the Superintendent of Streets of the City of San Diego, San Diego County, California, hereby certify that this Reassessment, together with the Reassessment Diagram thereto attached, was recorded in my office on June 6, 2013.

  
\_\_\_\_\_  
Superintendent of Streets

4. A Notice of Reassessment was recorded and the Reassessment Diagram was filed in the Office of the County Recorder of San Diego, California, on June 6, 2013.

  
\_\_\_\_\_  
City Clerk

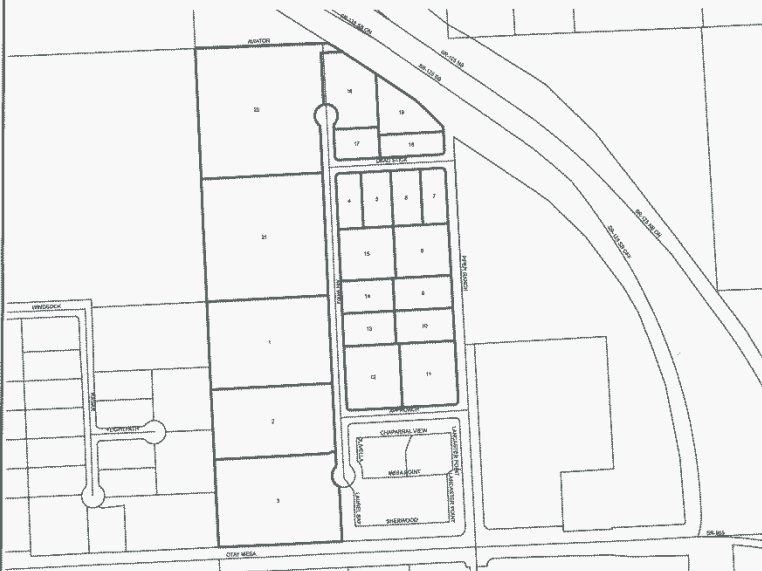
## ***REASSESSMENT DIAGRAM***

The Reassessment Diagram is shown on the following page.

**REASSESSMENT DIAGRAM  
ASSESSMENT DISTRICT NO. 4096  
(PIPER RANCH)**

CITY OF SAN DIEGO  
COUNTY OF SAN DIEGO  
STATE OF CALIFORNIA

Page 1 of 1



FILED IN THE OFFICE OF THE CITY CLERK, CITY OF SAN DIEGO THIS 12 DAY OF June, 2013.  
 COUNTY OF SAN DIEGO  
 COUNTY RECORDER  
 STATE OF CALIFORNIA

REASSESSMENTS WERE MADE BY THE CITY COUNCIL OF THE CITY OF SAN DIEGO ON THE LOTS, PIECES AND PARCELS OF LAND HEREON REPRESENTED AND THE REASSESSMENT ROLL WAS PREPARED IN THE OFFICE OF THE COUNTY CLERK OF SAN DIEGO AND THE REASSESSMENT ROLL WAS FILED IN THE OFFICE OF THE COUNTY CLERK OF SAN DIEGO ON THIS REASSESSMENT DATE.

FILED IN THE OFFICE OF THE COUNTY CLERK OF SAN DIEGO THIS 12 DAY OF June, 2013.  
 COUNTY OF SAN DIEGO  
 COUNTY RECORDER  
 STATE OF CALIFORNIA

FILED THIS 12 DAY OF June, 2013, AT THE HOUR OF 10:30 O'CLOCK P.M. IN BOOK 124 AT PAGE 18 OF MAPS OF REASSESSMENT AND COMPANY FACILITIES DEPOSITED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN DIEGO.

STATE OF CALIFORNIA  
 COUNTY OF SAN DIEGO  
 COUNTY RECORDER, LEROY J. DEGENHARD, JR.  
 STATE OF CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSASSORS PARCELS, REFERENCE IS MADE TO THE MAPS OF THE REASSESSMENT DISTRICT OF SAN DIEGO.

THIS REASSESSMENT THROUGH PARCELS, THE REASSESSMENT ROLL FOR THE REASSESSMENT DISTRICT NO. 4096, AS SHOWN HEREON, CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA WHICH WAS RECORDED HEREIN IS MADE BY MAP OF ASSASSORS AND COMPANY FACILITIES DEPOSITED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA.

| REASSESSMENT NUMBER | APN           |
|---------------------|---------------|
| 1                   | 046-240-49-00 |
| 2                   | 046-240-50-00 |
| 3                   | 046-240-51-00 |
| 4                   | 046-240-52-00 |
| 5                   | 046-240-53-02 |
| 6                   | 046-240-54-00 |
| 7                   | 046-240-55-00 |
| 8                   | 046-240-56-00 |
| 9                   | 046-240-57-00 |
| 10                  | 046-240-58-00 |
| 11                  | 046-240-59-00 |
| 12                  | 046-240-60-00 |
| 13                  | 046-240-61-00 |
| 14                  | 046-240-62-00 |
| 15                  | 046-240-63-00 |
| 16                  | 046-240-64-00 |
| 17                  | 046-240-65-00 |
| 18                  | 046-240-66-00 |
| 19                  | 046-240-67-00 |
| 20                  | 046-240-68-00 |
| 21                  | 046-240-69-00 |



**Legend**  
 [Shaded Box] Assessed District Parcels  
 [Outline Box] Parcel Lines

BK44 PG16

2013-0356758

2013-0356758

BK44 PG16

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## APPENDIX B

### DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING THE CITY OF SAN DIEGO

*Set forth below is certain demographic information regarding the City of San Diego (the “City”) and the County of San Diego (the “County”). This information is provided for informational purposes only and general background. The information set forth herein has been obtained from third party sources believed to be reliable, but such information is not guaranteed by the City as to accuracy or completeness. The information and data within this Appendix B speak only as of the dates indicated and may have changed, perhaps materially, from such time. Neither the delivery of this Official Statement nor any sale thereafter of the securities offered hereby shall under any circumstances create any implication that there has been no change in any information contained in this Appendix B since the date of such information. The Bonds are limited obligations of the City but are not a debt of the County, the State of California (the “State”), or any of its political subdivisions, and none of the County, the State nor any of its political subdivisions is liable thereon except for the City to the limited extent described herein.*

#### **Introduction**

The City, with a total population of approximately 1,326,238 as of January 1, 2013 and a land area of approximately 324 square miles, is the eighth largest city in the nation and the second largest city in California. The City is the county seat for the County. In addition to having a favorable climate, the City offers a wide range of cultural and recreational services to both residents and visitors. Major components of the City’s diversified economy include defense, tourism, biotechnology/biosciences, financial and business services, software and telecommunications. The City’s economic base is also anchored by higher education and major scientific research institutions, including the University of California, San Diego, San Diego State University, Scripps Research Institute, the Salk Institute for Biological Studies, and the San Diego Supercomputer Center.

#### **Population**

The following Table B-1 sets forth annual population figures for the City, the County and the State for calendar years 2004 through 2013. The City’s population increased by approximately 5.48% between 2004 and 2013, with an average annual increase of approximately 7,653.

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**TABLE B-1**  
**CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, AND STATE OF CALIFORNIA**  
**POPULATION GROWTH**  
**Calendar Years 2004 through 2013**

| <i>Calendar Year<sup>(1)</sup></i> | <i>City of San Diego</i> | <i>Annual Growth Rate</i> | <i>County of San Diego</i> | <i>Annual Growth Rate</i> | <i>State of California</i> | <i>Annual Growth Rate</i> |
|------------------------------------|--------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| 2004                               | 1,257,358                | 0.45                      | 2,953,703                  | 0.90                      | 35,570,847                 | 1.16                      |
| 2005                               | 1,261,035                | 0.29                      | 2,966,783                  | 0.44                      | 35,869,173                 | 0.84                      |
| 2006                               | 1,261,633                | 0.05                      | 2,976,492                  | 0.33                      | 36,116,202                 | 0.69                      |
| 2007                               | 1,266,978                | 0.42                      | 2,998,477                  | 0.74                      | 36,399,676                 | 0.78                      |
| 2008                               | 1,279,505                | 0.99                      | 3,032,689                  | 1.14                      | 36,704,375                 | 0.84                      |
| 2009                               | 1,294,031                | 1.14                      | 3,064,436                  | 1.05                      | 36,966,713                 | 0.71                      |
| 2010                               | 1,304,482                | 0.81                      | 3,091,579                  | 0.89                      | 37,223,900                 | 0.70                      |
| 2011                               | 1,309,784                | 0.41                      | 3,115,810                  | 0.78                      | 37,427,946                 | 0.55                      |
| 2012                               | 1,315,173                | 0.41                      | 3,128,734                  | 0.41                      | 37,668,804                 | 0.64                      |
| 2013                               | 1,326,238                | 0.84                      | 3,150,178                  | 0.69                      | 37,966,471                 | 0.79                      |

<sup>(1)</sup> As of January 1 of the calendar year.

Source: State of California Department of Finance, Demographic Research Unit.

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## Employment

The following Table B-2 sets forth information regarding the size of the labor force, employment and unemployment rates for the City, the County, the State and the United States for calendar years 2008 through 2012, and for April 2013 (Preliminary).

**TABLE B-2**  
**LABOR FORCE – ESTIMATED AVERAGE ANNUAL EMPLOYMENT AND**  
**UNEMPLOYMENT OF CITY OF SAN DIEGO CIVILIAN LABOR FORCE<sup>(1)</sup>**  
**Calendar Years 2008 through 2012, and April 2013<sup>(2)</sup>**  
**(Not Seasonally Adjusted)**

|                                  | <i>Calendar Year</i> |             |             |             |             | <i>April<br/>2013<sup>(2)</sup></i> |
|----------------------------------|----------------------|-------------|-------------|-------------|-------------|-------------------------------------|
|                                  | <i>2008</i>          | <i>2009</i> | <i>2010</i> | <i>2011</i> | <i>2012</i> |                                     |
| <b>Civilian Labor Force</b>      |                      |             |             |             |             |                                     |
| City of San Diego <sup>(1)</sup> |                      |             |             |             |             |                                     |
| Employed                         | 649,900              | 627,500     | 628,600     | 635,500     | 650,100     | 668,200                             |
| Unemployed                       | 41,400               | 66,600      | 74,000      | 70,800      | 63,700      | 49,900                              |
| <b>Unemployment Rates</b>        |                      |             |             |             |             |                                     |
| City <sup>(1)</sup>              | 6.0%                 | 9.6%        | 10.5%       | 10.0%       | 8.9%        | 7.0%                                |
| County <sup>(1)</sup>            | 6.0                  | 9.6         | 10.5        | 10.0        | 8.9         | 7.0                                 |
| California <sup>(1)</sup>        | 7.2                  | 11.3        | 12.4        | 11.8        | 10.5        | 8.5                                 |
| United States <sup>(3)</sup>     | 5.8                  | 9.3         | 9.6         | 8.9         | 8.1         | 7.1                                 |

<sup>(1)</sup> Estimates are revised annually in March and April.

<sup>(2)</sup> Preliminary, subject to change.

<sup>(3)</sup> The United States unemployment rates for calendar years 2008-2012 were generated as of March 8, 2013.

Source: State of California Employment Development Department, Labor Market Information Division; U.S. Department of Labor, Bureau of Labor Statistics.

The State of California Employment Development Department, Labor Market Information Division (the “EDD”), preliminarily estimates that, on a seasonally unadjusted basis, the civilian labor force in the City in April of 2013 was 718,100, of which approximately 49,900 persons were unemployed. Based on preliminary estimates of the EDD as of May 17, 2013, the City’s unemployment rate of 7.0% in April of 2013, on a seasonally unadjusted basis, matched that of the County at 7.0% and was below the unemployment rate of the State, which was 8.5%. The City’s unemployment rate was also below that of the United States, which was 7.1%.

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The following Table B-3 sets forth estimates of total annual civilian nonfarm employment by number of employees in each major industry category in the County for calendar years 2009 through April of 2013. Annual industry employment information is not compiled by sector for the City.

**TABLE B-3**  
**COUNTY OF SAN DIEGO**  
**NONFARM EMPLOYMENT**  
**Calendar Years 2009 through April 2013<sup>(1)</sup>**  
**(In Number of Jobs By Industry)**

| <i>Industry Category</i>                | <i>2009</i>             | <i>2010</i>             | <i>2011</i>             | <i>2012</i>             | <i>2013<sup>(5)</sup></i> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|
| Services <sup>(2)</sup>                 | 580,900                 | 578,900                 | 587,400                 | 604,900                 | 619,400                   |
| Government                              | 224,500                 | 230,400                 | 229,000                 | 227,600                 | 232,400                   |
| Federal                                 | 43,700                  | 47,000                  | 46,700                  | 46,700                  | 46,500                    |
| State and Local                         | 180,800                 | 183,500                 | 182,200                 | 180,900                 | 185,900                   |
| Trade                                   | 172,200                 | 170,800                 | 174,700                 | 179,100                 | 177,500                   |
| Wholesale                               | 40,600                  | 40,100                  | 41,300                  | 43,500                  | 43,400                    |
| Retail                                  | 131,600                 | 130,700                 | 133,400                 | 135,600                 | 134,100                   |
| Manufacturing                           | 95,300                  | 92,900                  | 93,100                  | 93,400                  | 93,500                    |
| Nondurable Goods                        | 22,200                  | 21,900                  | 22,200                  | 22,800                  | 22,500                    |
| Durable Goods                           | 73,100                  | 71,000                  | 70,900                  | 70,700                  | 70,900                    |
| Financial Activities <sup>(3)</sup>     | 69,800                  | 67,200                  | 67,600                  | 69,500                  | 69,900                    |
| Construction                            | 61,100                  | 55,400                  | 55,200                  | 56,300                  | 56,200                    |
| Transportation, Warehousing & Utilities | 27,300                  | 26,500                  | 26,100                  | 27,600                  | 28,600                    |
| Mining & Logging                        | <u>400</u>              | <u>400</u>              | <u>400</u>              | <u>400</u>              | <u>400</u>                |
| <b>TOTAL NONFARM<sup>(4)</sup></b>      | <u><b>1,231,300</b></u> | <u><b>1,222,500</b></u> | <u><b>1,233,400</b></u> | <u><b>1,258,800</b></u> | <u><b>1,277,800</b></u>   |

(1) Estimates are revised annually in March.

(2) Includes professional and business, information, educational and health, leisure and hospitality and other services.

(3) Includes finance, insurance, and real estate.

(4) Line items may not add to totals due to independent calculations.

(5) Preliminary as of May 2013.

Source: State of California Employment Development Department, Labor Market Information Division.

Since the industry employment data referenced above are organized by standard industrial classification codes, employment in the various high tech categories, such as telecommunications, software and biotechnology may not fall into a single employment section alone. For example, some telecommunications firms appear in Manufacturing while others appear in Services.

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## Taxable Sales

The following Table B-4 sets forth taxable transactions in the City for calendar years 2007 through 2011, the most recent period for which State Board of Equalization data is available.

**TABLE B-4**  
**CITY OF SAN DIEGO**  
**TAXABLE TRANSACTIONS**  
**Calendar Years 2007 through 2011**  
**(In Thousands)**

|                                  | <i>2007</i>          | <i>2008</i>          | <i>2009<sup>(1)</sup></i> | <i>2010<sup>(1)</sup></i> | <i>2011<sup>(1)</sup></i> |
|----------------------------------|----------------------|----------------------|---------------------------|---------------------------|---------------------------|
| Retail and Food Services         |                      |                      |                           |                           |                           |
| Apparel                          | \$ 959,509           | \$ 1,123,736         | \$ 1,358,011              | \$ 1,476,887              | \$ 1,608,393              |
| General Merchandise              | 2,272,494            | 1,995,887            | 1,443,341                 | 1,505,694                 | 1,571,106                 |
| Food                             | 881,871              | 828,471              | 864,733                   | 874,855                   | 909,541                   |
| Eating and Drinking              | 2,617,392            | 2,682,884            | 2,582,572                 | 2,674,975                 | 2,888,953                 |
| Home Furnishings and Appliances  | 655,097              | 749,808              | 1,005,324                 | 1,064,083                 | 1,132,638                 |
| Building Materials               | 1,098,559            | 865,280              | 707,657                   | 735,040                   | 795,649                   |
| Motor Vehicles and Parts         | 2,237,019            | 1,852,953            | 1,606,349                 | 1,720,348                 | 1,884,077                 |
| Service Stations                 | 1,656,784            | 1,847,002            | 1,319,720                 | 1,527,002                 | 1,850,576                 |
| Other Retail Stores              | <u>2,321,276</u>     | <u>2,045,273</u>     | <u>1,481,096</u>          | <u>1,483,428</u>          | <u>1,550,568</u>          |
| Total Retail and Food Services   | \$ 14,700,001        | \$ 13,991,295        | \$ 12,368,802             | \$ 13,062,313             | \$ 14,191,502             |
| All Other Outlets                | <u>5,356,105</u>     | <u>5,422,964</u>     | <u>4,795,162</u>          | <u>4,816,619</u>          | <u>5,306,003</u>          |
| TOTAL ALL OUTLETS <sup>(2)</sup> | <u>\$ 20,056,106</u> | <u>\$ 19,414,259</u> | <u>\$ 17,163,965</u>      | <u>\$ 17,878,932</u>      | <u>\$ 19,497,504</u>      |

<sup>(1)</sup> In early 2007 the California State Board of Equalization began a process of converting business codes of sales and use tax permit holders to North American Industry Classification System ("NAICS") codes. Beginning in 2009, the California State Board of Equalization reports summarize taxable sales and permits using the NAICS codes. As a result of the coding change, industry data for 2009 and 2010 are not comparable with data from prior years.

<sup>(2)</sup> Line items may not add to totals due to independent rounding.

Source: California State Board of Equalization, Research & Statistics Section, Taxable Sales in California.

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## Tourism

The tourism industry is the County's third largest industry in terms of business revenue generation, following manufacturing and the military. The following Table B-5 sets forth total visitor spending in the County for the calendar years 2008 through 2012.

**TABLE B-5**  
**COUNTY OF SAN DIEGO**  
**TOTAL VISITOR SPENDING**  
**Calendar Years 2008 through 2012**  
**(In Millions)**

| <i>Calendar Year</i> | <i>Amount</i> |
|----------------------|---------------|
| 2008                 | \$7,908       |
| 2009                 | 6,958         |
| 2010                 | 7,080         |
| 2011                 | 7,485         |
| 2012                 | 7,979         |

---

Source: Visitor Industry Summary prepared by the San Diego Tourism Authority (formerly the San Diego Convention and Visitors Bureau) from data prepared by CIC Research, Inc., and Smith Travel Research.

The following Table B-6 sets forth the City's transient occupancy tax revenues for Fiscal Years 2008 through 2012.

**TABLE B-6**  
**CITY OF SAN DIEGO**  
**TRANSIENT OCCUPANCY TAX<sup>(1)</sup>**  
**Fiscal Years 2008 through 2012**  
**(in thousands)**

| <i>Fiscal Year</i> | <i>Amount</i> |
|--------------------|---------------|
| 2008               | \$159,348     |
| 2009               | 140,657       |
| 2010               | 123,879       |
| 2011               | 139,545       |
| 2012               | 148,795       |

---

<sup>(1)</sup> Includes both the General Fund portion of the transient occupancy tax (5.5¢ of 10.5¢) and the balance (5¢ of 10.5¢) allocated to Special Promotional Programs. Special Promotional Programs are intended to: advance the City's economy by promoting the City as a visitor destination; develop, maintain, and enhance visitor-related facilities; and support the City's cultural amenities and natural attractions.

Source: Fiscal Year 2012 Comprehensive Annual Financial Report, Comptroller's Office, City of San Diego.

The City is the focal point for tourism in the County. According to the San Diego Tourism Authority, in calendar year 2012, 69.7% of hotel rooms in the County were located within the City. For calendar year 2012, Smith Travel Research reported that hotel occupancy in the City averaged 73.0%, up 2.1% compared to same time last year.

In addition, most of the County's major tourist attractions, including the world-renowned San Diego Zoo, the San Diego Zoo's Safari Park and SeaWorld San Diego, are located in the City. Other attractions located in the City include the Cabrillo National Monument on Point Loma, the historic Gas Lamp Quarter in the downtown area, the Old Town State Park, Balboa Park and a host of other cultural and recreational activities.

Based on information provided by the San Diego Tourism Authority, in calendar year 2012 there were more than 32.2 million visitors to San Diego County, and they spent more than \$7 billion. About half of the 32.2 million visitors stayed overnight in private homes or hotels. In calendar year 2012, there were 8,606,032 airport arrivals and 762,105 Amtrak arrivals, up 1.9% and 3.9%, respectively, compared to the same time for the prior year.

In addition to the many permanent attractions available to visitors, the City has also been host to a number of major sporting events. The City annually hosts the Farmers Insurance Open, a Professional Golfers' Association Tour Event played at the world renowned Torrey Pines Golf Course. In addition, the City has annually hosted a pair of post season contests of elite college football teams, the Holiday Bowl and the Poinsettia Bowl.

The San Diego Convention Center (the "Convention Center") has 2.6 million total gross square feet of buildings, including the parking structure. According to the San Diego Convention Center Corporation, since opening in 1989, the Convention Center has generated over \$21.6 billion in economic benefit for the San Diego regional economy through increased visitor spending, additional hotel room nights, and new jobs.

### **Military**

The information set forth below is taken from the San Diego Military Economic Impact Study released in June 2012 (the "Military Study") prepared by the San Diego Military Advisory Council ("SDMAC"). The Authority has not independently verified the information in the Military Study.

Military and related defense spending are significant factors in the County economy. Military installations include Marine Corps Base Camp Joseph H. Pendleton; the Marine Corps Recruit Depot; Marine Corps Air Station at Miramar; Naval Air Station North Island; Naval Station San Diego; and Naval Submarine Base, San Diego.

Approximately 25% of the jobs in the County are directly and indirectly related to the military. There are over 100,000 active duty military personnel and 30,000 full-time civilian workers directly employed by the military throughout the County. Absent sequestration, the level of military employment was expected to remain steady in 2013. The direct defense-related spending by the military in the County was \$20.6 billion for the federal fiscal year ending September 30, 2012 and is projected to remain at approximately \$20.7 billion in the federal fiscal year ending September 30, 2013. In the 2010 federal fiscal year, military spending in the County was approximately \$19 billion, and was \$20.3 billion in the 2011 federal fiscal year.

Efforts by the federal government to reduce the federal deficit have negatively impacted military spending throughout the country and in the County. Effective March 1, 2013, automatic spending cuts (referred to as sequestration) to numerous federal programs began to be implemented. Approximately one-half of the spending cuts are related to the military and this could result in a reduction in military spending in 2013 of approximately \$40 billion, and approximately \$500 billion over ten years. The Department of Defense has announced it will furlough civilian and military employees in response to sequestration beginning in July 2013.

## International Trade

The following Table B-7 sets forth the valuation of exports originating in the San Diego Customs District for calendar years 2008 through 2012.

**TABLE B-7**  
**VALUATION OF EXPORTS**  
**ORIGINATING IN SAN DIEGO CUSTOMS DISTRICT<sup>(1)</sup>**  
**Calendar Years 2008 through 2012**  
**(In Millions)**

| <i>Calendar Year</i> | <i>Amount</i> |
|----------------------|---------------|
| 2008                 | \$16,607      |
| 2009                 | 14,007        |
| 2010                 | 16,252        |
| 2011                 | 18,559        |
| 2012                 | 19,896        |

<sup>(1)</sup> The San Diego Customs District includes the ports of San Diego, Andrade, Calexico, San Ysidro, Tecate, Otay Mesa Station, and Calexico-East.

Source: RAND California, Business and Economic Statistics U.S. Census Bureau, Foreign Trade Statistics.

## Top Ten Principal Employers

The following Table B-8 sets forth the top 10 principal employers in the City for Fiscal Year 2012.

**TABLE B-8**  
**CITY OF SAN DIEGO**  
**TOP TEN PRINCIPAL EMPLOYERS**  
**Fiscal Year 2012**  
**(unaudited)**

| <i>Employer</i>                                   | <i>Number of Employees</i> | <i>Percentage of Total Employment<sup>(1)</sup></i> |
|---|----------------------------|---|
| University of California San Diego <sup>(2)</sup> | 28,071                     | 3.95%   |
| United States Navy <sup>(3)</sup>                 | 27,869                     | 3.92  |
| Sharp Healthcare <sup>(4)</sup>                   | 15,366                     | 2.16  |
| San Diego County                                  | 15,171                     | 2.13  |
| San Diego Unified School District                 | 13,633                     | 1.92  |
| Qualcomm, Inc.                                    | 11,877                     | 1.67  |
| City of San Diego <sup>(5)</sup>                  | 9,841                      | 1.38  |
| Kaiser Permanente                                 | 7,425                      | 1.04  |
| UC San Diego Medical Center                       | 6,039                      | 0.85  |
| San Diego Gas & Electric Co. <sup>(6)</sup>       | <u>5,028</u>               | <u>0.71</u>   |
| <b>Total Top Employers</b>                        | <b><u>140,320</u></b>      | <b><u>19.72%</u></b>                                |

<sup>(1)</sup> Percentage based on total employment of 711,500 provided by the EDD Labor Force Data.

<sup>(2)</sup> Employee count includes full and part time, academic and support staff.

<sup>(3)</sup> Employee count includes Navy personnel only (civilian/military).

<sup>(4)</sup> Employee count is companywide.

<sup>(5)</sup> Employee count is provided by the City of San Diego, Office of the Comptroller – Payroll Division.

<sup>(6)</sup> Employee count does not include Sempra Energy or other affiliate companies.

Source: Fiscal Year 2012 Comprehensive Annual Financial Report, Statistical Section (Unaudited), Comptroller's Office, City of San Diego.



**Personal Income**

The following Table B-9 sets forth the per capita personal income in the County, the State and the United States for calendar years 2008 through 2012.

**TABLE B-9  
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA AND UNITED STATES  
PER CAPITA PERSONAL INCOME<sup>(1)</sup>  
Calendar Years 2008 through 2012**

| <i>Calendar Year</i> | <i>County of San Diego</i> | <i>State of California</i> | <i>United States</i> |
|----------------------|----------------------------|----------------------------|----------------------|
| 2008                 | \$47,197                   | \$44,003                   | \$40,947             |
| 2009                 | 44,107                     | 41,034                     | 38,637               |
| 2010                 | 44,951                     | 41,893                     | 39,791               |
| 2011                 | 46,800                     | 43,647                     | 41,560               |
| 2012                 | <sup>(2)</sup>             | 44,980                     | 42,693               |

<sup>(1)</sup> Amounts for County and State may not be comparable based on different source methodology.

<sup>(2)</sup> Per capita personal income data for the County is not available as of June 2013.

Source: U.S. Bureau of Economic Analysis and Bureau of the Census.

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## Property Value and Construction

Residential and non-residential construction declined after peaking in 2005, in part due to the subprime mortgage crisis and the resulting significant increase in the number of foreclosures. However, residential and non-residential construction activity has increased since 2010. Total issued building permits and permit valuation (residential and non-residential) are used as indicators of overall construction activity. In Fiscal Year 2012, construction permits valuation increased by 43%, or \$499.5 million from Fiscal Year 2011.

The following Table B-10 sets forth total City assessed value, building permit valuations and the number of new construction permits issued in the City for Fiscal Years 2008 through 2012.

**TABLE B-10**  
**CITY OF SAN DIEGO**  
**Assessed Value and Construction Permit Valuation**  
**Fiscal Years 2008 through 2012**  
**(\$ in thousands)**  
**(unaudited)**

| <i>Fiscal Year</i> | <i>Residential<sup>(1)</sup></i> |                                     | <i>Non-Residential<sup>(2)</sup></i> |                                     | <i>Total Permit Assessed Value Estimate<sup>(3)</sup></i> |
|--------------------|----------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|---|
|                    | <i>Dwelling Units</i>            | <i>Assessed Value<sup>(3)</sup></i> | <i>Permits</i>                       | <i>Assessed Value<sup>(3)</sup></i> |   |
| 2008               | 2,228                            | \$437,934                           | 175                                  | \$931,648                           | \$1,369,582   |
| 2009               | 1,117                            | 202,268                             | 138                                  | 576,879                             | 779,147   |
| 2010               | 1,147                            | 234,868                             | 76                                   | 368,098                             | 602,966   |
| 2011               | 2,024                            | 342,598                             | 98                                   | 818,627                             | 1,161,225   |
| 2012               | 2,406                            | 518,091                             | 113                                  | 1,142,674                           | 1,660,765   |

<sup>(1)</sup> Residential reflects construction of new structures.

<sup>(2)</sup> Non-residential reflects construction of new structures whose intended use includes commercial, industrial, and other uses. Each permit is a separate structure.

<sup>(3)</sup> Valuation figures only include valuation of newly created structures. These figures do not include minor modification work such as interior remodels, reroofs, etc. Total Permit Assessed Value is an estimate determined at time of permit issuance; actuals may vary.

Source: Permit Tracking System Database, Development Services Department, City of San Diego.

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## Foreclosure Activity

The following Table B-11 sets forth foreclosure activity in the County for calendar years 2008 through 2012.

**TABLE B-11**  
**COUNTY OF SAN DIEGO**  
**FORECLOSURE ACTIVITY**  
**Calendar Years 2008 through 2012**

| <i>Calendar Year</i> | <i>Foreclosures</i> | <i>Total Number of Housing Units<sup>(1)</sup></i> | <i>% of Total Housing Units</i> |
|----------------------|---------------------|--|---------------------------------|
| 2008                 | 19,577              | 1,140,654  | 1.72%                           |
| 2009                 | 15,487              | 1,145,548  | 1.35                            |
| 2010                 | 13,467              | 1,158,076 <sup>(2)</sup>                           | 1.16                            |
| 2011                 | 12,216              | 1,161,720  | 1.05                            |
| 2012                 | 7,195               | 1,165,818  | 0.62                            |

<sup>(1)</sup> As of January 1 of the indicated year.

<sup>(2)</sup> County of San Diego Total Number of Housing Units for calendar year 2010 was calculated based on 2010 census data.

Source: County of San Diego, Assessor's Records; and SANDAG.

According to the San Diego County Recorder's Office, there has been a decrease in the number of notices of loan defaults recorded in the County in calendar year 2012 compared to calendar year 2011. In addition, foreclosures have dropped during this time frame as well. There were 22,101 notices of default recorded in the County in calendar year 2011, which decreased to 16,597 notices recorded in 2012. Furthermore, there were 12,216 foreclosures in the County in calendar year 2011, which decreased by 41% to 7,195 foreclosures in 2012. As of May 31, 2013, there were 3,425 notices of default and 1,803 foreclosures, which reflect decreases of 56% and 47%, respectively, compared to the same period in 2012.

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## APPENDIX C

### SUMMARY OF INDENTURE

*The following is a summary of certain definitions and provisions of the Indenture which are not described elsewhere in the Official Statement. This Summary does not purport to be comprehensive and reference should be made to the Indenture for a full and complete statement of its provisions.*

### DEFINITIONS

**Definitions.** Unless the context otherwise requires, the following terms shall have the following meanings in the Indenture:

“Act” means, collectively, the 1915 Act and the 1984 Act.

“Administrative Expense Fund” means The City of San Diego Assessment District No. 4096 (Piper Ranch) Administrative Expense Fund established and held by the Trustee pursuant to the Indenture.

“Administrative Expense Requirement” means an amount to be specified each year by an Authorized Representative of the City to be used for Administrative Expenses, which shall not be in excess of the aggregate maximum annual assessment for Administrative Expenses permitted to be levied within the Assessment District as set forth in the Engineer’s Report adopted at the time that the Assessment District was established plus any additional amounts as may be allowed under other statutory provisions.

“Administrative Expenses” means the ordinary and necessary fees and expenses for determination of the Reassessment and administering the levy and collection of the Reassessment and servicing, calling and redeeming the Bonds, including any or all of the following: the fees and expenses of the Trustee (including any fees or expenses of its counsel), the expenses of the City in carrying out its duties under the Indenture (including, but not limited to, annual audits, arbitrage rebate calculations and costs incurred in the levying and collection of the Reassessments) including the fees and expenses of its counsel, any consultant retained to calculate arbitrage rebate, any consultant assisting in the levy and collection of the Reassessment Installments and all other costs and expenses of the City or the Trustee incurred in connection with the discharge of their respective duties under the Indenture and, in the case of the City, in any way related to the administration of the Assessment District.

“Assessment District” means City of San Diego Assessment District No. 4096 (Piper Ranch).

“Authorized Representative of the City” means the Mayor of the City, the Chief Financial Officer of the City (including any Interim Chief Financial Officer) or any other person or persons so designated by either of them by a written certificate signed by one of such officers of the City and containing the specimen signature of each such person.

“Beneficial Owner” means, with respect to a Bond, the person whose name is recorded as the beneficial owner thereof or a portion thereof by a Participant on the records of such Participant, or such person's subrogee.

“Bond Counsel” means an attorney or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax treatment of interest on bonds issued by states and their political subdivisions.

“Bond Register” means the books which the Trustee shall keep or cause to be kept pursuant to the Indenture, on which the registration and transfer of the Bonds shall be recorded.

“Bond Year” means the one year period or shorter period ending each year on September 2, or such other date as may be specified by the City in the Tax Certificate.

“Bondowner” or “Owner” means the person or persons in whose name or names any Bond is registered as shown on the Bond Register.

“Bonds” means The City of San Diego Assessment District No. 4096 (Piper Ranch) Limited Obligation Refunding Bonds issued pursuant to the Resolution of Issuance and the Indenture.

“Business Day” means any day other than (a) a Saturday, Sunday, (b) a day on which banking institutions in the State of California or in any state in which the Office of the Trustee is located are authorized or required by law (including Executive Order) to close, or (c) a day on which the New York Stock Exchange is closed.

“City” means The City of San Diego and any successor thereto.

“City Clerk” means the City Clerk of the City and his or her designee.

“City Council” means the City Council of The City of San Diego.

“Closing Date” means the date of delivery of the Bonds by the City and payment therefor by the original purchaser thereof.

“Code” means the Internal Revenue Code of 1986, as amended, and any Regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate dated as of June 1, 2013, executed and delivered by the City, together with any amendments thereto.

“Costs of Issuance” means the costs and expenses incurred by or on behalf of the City (including reasonable charges for the work performed by the officers and employees of the City) in connection with the preparation and approval of the Reassessment Report, the confirmation of the reassessments and activities relating thereto, the issuance and sale of the Bonds, including the acceptance and initial annual fees and expenses of the Trustee, legal fees and expenses, costs of printing the Bonds and the preliminary and final official statements for the Bonds, fees of financial and any other consultants and all other related fees and expenses, as set forth in a Written Certificate of the City.

“Costs of Issuance Fund” means The City of San Diego Assessment District No. 4096 (Piper Ranch) Costs of Issuance Fund established and held by the Trustee pursuant to the Indenture.

“County” means the County of San Diego.

“Depository” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Bonds, including any such successor appointed pursuant to the Indenture.

“Federal Certificates” means evidences of indebtedness or ownership of proportionate interests in future principal and interest payments of Federal Securities, including depository receipts thereof, wherein (i) a bank or trust company acts as custodian and holds the underlying Federal Securities; (ii) the owner of the Federal Certificate is a real party in interest with the right to proceed directly and individually against the obligor of the underlying Federal Securities; and (iii) the underlying Federal Securities are held in trust in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the

custodian or any person claiming through the custodian, or any person to whom the custodian may be obligated.

“Federal Securities” means: direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or evidence of ownership in a portion thereof (which may consist of specified portions of interest thereon and obligations of the Resolution Funding Corporation which constitute interest strips) if held by a custodian on behalf of the Trustee; obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; and prerefunded municipal obligations rated, at the time of purchase, by Moody’s and S&P in their highest Rating Category; provided that “structured securities” (including flip notes, range notes, inverse floaters and step-ups) will not be considered Federal Securities; provided further that floaters (based on single, interest rate based indices) and callable securities of the above-enumerated agencies may be treated as Federal Securities.

“Fiscal Year” means the twelve-month period terminating on June 30 of each year, or any other annual accounting period later selected and designated by the City as its Fiscal Year in accordance with applicable law.

“Fitch” means Fitch Ratings, New York, New York, or its successors, and if such organization shall for any reason no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

“Indenture” means the Indenture, as amended or supplemented pursuant to the terms thereof.

“Independent Financial Consultant” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the City and who, or each of whom:

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

“Interest Payment Date” means each March 2 and September 2, commencing March 2, 2014.

“Moody’s” means Moody’s Investors Service, New York, New York, or its successors, and if such organization shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

“1915 Act” means the Improvement Bond Act of 1915, being Division 10 (commencing with Section 8500) of the California Streets and Highways Code.

“1984 Act” means the Refunding Act of 1984 for 1915 Improvement Act Bonds, being Division 11.5 (commencing with Section 9500) of the California Streets and Highways Code.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Indenture.

“Nonpurpose Investment” means Permitted Investments described as Nonpurpose Investments in the Tax Certificate.

“Notice of Reassessment” means the Notice of Reassessment recorded in the Office of the County Recorder of the County of San Diego on June 6, 2013 as Document No. 2013 0356759.

“Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified in writing to the City by the Trustee.

“Outstanding Bonds” or “Outstanding” means all Bonds theretofore issued by the City, except:

- (1) Bonds theretofore canceled or surrendered for cancellation;
- (2) Bonds for the payment or redemption of which moneys shall have been deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in the Indenture; and
- (3) Bonds defeased pursuant to the Indenture.

“Participant” means a broker-dealer, bank and other financial institution for which the Depository holds Bonds or interests therein from time to time as securities depository.

“Participating Underwriter” has 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:

- (i) Federal Securities or Federal Certificates;
- (ii) The following listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
  - (a) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts),
  - (b) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes,
  - (c) Federal Home Loan Banks (FHL Banks) consolidated debt obligations, and
  - (d) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
- (iii) Obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing, that are rated, at the time of purchase, in the highest Rating Category by two Rating Agencies;
- (iv) Bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are rated, at the time of purchase, by “A1/P1/F1” by two Rating Agencies or, if the term of such indebtedness is longer than one year, rated in the highest Rating Category by two Rating Agencies;
- (v) Taxable commercial paper or tax-exempt commercial paper with a maturity of not more than 270 days, which are rated, at the time of purchase, “A1/P1/F1” by two Rating Agencies;



(vi) Deposit accounts or certificates of deposit, whether negotiable or non-negotiable, issued by a state or national bank (including the Trustee) or a state or federal savings and loan association or a state-licensed branch of a foreign bank; provided, however, that such certificates of deposit or deposit accounts shall be either (a) continuously insured by the Federal Deposit Insurance Corporation; or (b) have maturities of not more than 365 days (including certificates of deposit) and are issued by any state or national bank or a state or federal savings and loan association, the short-term obligations of which are rated, at the time of purchase, in the highest short term rating by two Rating Agencies;

(vii) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which bank has short-term obligations outstanding which are rated, at the time of purchase, by two Rating Agencies in the highest short-term Rating Category, and which bankers acceptances mature not later than 365 days from the date of purchase;

(viii) Any repurchase agreement: (a) with (i) any bank or trust company organized under the laws of any state of the United States or any national banking association (including the Trustee), or a state-licensed branch of a foreign bank, having a minimum permanent capital of one hundred million dollars (\$100,000,000) and having short-term debt which is rated, at the time of the purchase, by two Rating Agencies in one of the three highest short-term Rating Categories; or (ii) any government bond dealer reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York; and (b) which agreement is secured by any one or more of the securities and obligations described in clause (i) or (ii) of this definition and having maturities equal to or less than 5 years from the date of delivery, which shall have a market value (valued at least monthly) not less than 102% of the principal amount of such investment and shall be placed with the Trustee or other fiduciary, as custodian for the Trustee, by the bank, trust company, national banking association or bond dealer executing such repurchase agreement. The entity executing each such repurchase agreement required to be so secured shall furnish the Trustee with an undertaking satisfactory to the Trustee that the aggregate market value of all such obligations securing each such repurchase agreement (as valued at least monthly) will be an amount equal to 102% the principal amount of such repurchase agreement, and the Trustee shall be entitled to rely on each such undertaking;

(ix) Any cash sweep or similar account arrangement of or available to the Trustee, the investments of which are limited to investments described in clauses (i), (ii), (iii) and (viii) of this definition and any money market fund, the entire investments of which are limited to investments described in clauses (i), (ii) (iii) and (viii) of this definition and which money market fund is rated, at the time or purchase, by two Rating Agencies in the highest Rating Category;

(x) Any guaranteed investment contract, including forward delivery agreements (“FDAs”) and forward purchase agreements (“FPAs”), with a financial institution or insurance company which has (or which is unconditionally guaranteed by a legal entity which has), at the date of execution thereof, an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims-paying ability which is rated, at the time of purchase, by two Rating Agencies in one of two highest long-term Rating Categories. Only Permitted Investments described in clause (i) and (ii) above and having maturities equal to or less than 30 years from their date of delivery will be considered eligible for any collateralization/delivery purposes for guaranteed investment contracts, FDAs or FPAs;

(xi) Certificates, notes, warrants, bonds or other evidence of indebtedness of the State or of any political subdivision or public agency thereof which are rated, at the time of purchase, by two Rating Agencies in the highest short-term Rating Category or within one of the three highest long-term Rating Categories, but excluding 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;

(xii) For amounts less than \$250,000, interest-bearing demand or time deposits (including certificates of deposit) in a nationally or state-chartered bank, or a state or federal savings and loan association

in the State, fully insured by the Federal Deposit Insurance Corporation, including the Trustee or any affiliate thereof;

(xiii) Investments in taxable money market funds or portfolios restricted to obligations with an average maturity of one year or less and which funds or portfolios are: (a) rated, at the time of purchase, by two Rating Agencies in one of the two highest Rating Categories; or (b) have or are portfolios guaranteed as to payment of principal and interest by the full faith and credit of the United States of America;

(xiv) Investments in the City's pooled investment fund;

(xv) Investments in the Local Agency Investment Fund created pursuant to Section 16429.1 of the Government Code of the State;

(xvi) Shares of beneficial interest in diversified management companies investing exclusively in securities and obligations described in clauses (i) through (xiii) of this definition and which companies are: (a) rated, at the time of purchase, by two Rating Agencies in the highest Rating Category; or (b) have an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience investing in such securities and obligations and with assets under management in excess of five hundred million dollars (\$500,000,000);

(xvii) Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State which consists exclusively of investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended; and

(xviii) Any other investment, with confirmation (or other action, satisfactory to the City) from each rating agency that has a current rating on the Bonds at the time of initial purchase thereof, that its rating on the Bonds will not be lowered or withdrawn as a result of such investment.

“Person” means any individual, corporation, firm, association, partnership, limited liability company, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Reassessment” or “Reassessments” means the special reassessments levied in the Assessment District in accordance with the 1984 Act, together with the net proceeds derived from any foreclosure proceedings, but exclusive of any assessments or reassessments levied to pay Administrative Expenses and exclusive also (to the maximum extent permitted by law) of all penalties and interest payable in connection with delinquent installments thereof.

“Reassessment Fund” means The City of San Diego Assessment District No. 4096 (Piper Ranch) Reassessment Fund established and held by the Trustee pursuant to the Indenture.

“Reassessment Installment” means the annual installment of principal and interest on the Reassessment levied to pay the principal of and interest on the Bonds (which does not include assessments levied by the City to pay Administrative Expenses) exclusive, to the maximum extent permitted by law, of all penalties and interest payable in connection with delinquencies in the payment thereof.

“Reassessment Report” means the report concerning the Reassessments prepared by NBS, as approved by the City Council on June 4, 2013 and on file with the City Clerk.

“Rebate Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture in which there are established the accounts described therein.

“Rebate Regulations” means any final, temporary or proposed Regulations promulgated under Section 148(f) of the Code.

“Rebate Requirement” shall have the meaning ascribed to it in the Tax Certificate.

“Record Date” means the fifteenth day of the month preceding an Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means The City of San Diego Assessment District No. 4096 (Piper Ranch) Redemption Fund established and held by the Trustee pursuant to the Indenture.

“Regulations” means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to Section 103 of the Code.

“Representation Letter” means the Blanket Letter of Representations from the City and the Trustee to the Depository as described in the Indenture.

“Reserve Fund” means The City of San Diego Assessment District No. 4096 (Piper Ranch) Reserve Fund established and held by the Trustee pursuant to the Indenture.

“Reserve Requirement” means, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Bonds; (b) maximum annual debt service on the Bonds; and (c) 125% of average annual debt service on the Bonds.

“Resolution of Issuance” means Resolution No. R-308240, adopted by the City Council of the City on June 4, 2013 and with a date of final passage of June 5, 2013, authorizing the issuance of the Bonds and approving the terms and provisions of the Indenture.

“Six-Month Period” means the period of time beginning on the Closing Date of the Bonds, as applicable, and ending six consecutive months thereafter, and each six-month period thereafter until the latest maturity date of the Bonds (and any obligations that refund an issue of the Bonds).

“Standard & Poor’s” or “S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business or its successors and if such organization shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

“Superintendent of Streets” means the individual designated from time to time by an Authorized Representative of the City, or his or her designee, to perform the functions assigned to the Superintendent of Streets in the Act or similar functions.

“Supplemental Indenture” or “Supplement” means any supplemental agreement amending or supplementing the Indenture.

“Tax Certificate” means the Tax Certificate delivered upon the issuance of the Bonds.

“Treasurer” means the Treasurer of the City, or his or her designee.

“Trustee” means Union Bank, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or any other bank or trust company which may at any time be substituted in its place as provided in the Indenture and any successor thereto.

“2004 Bonds” means The City of San Diego Assessment District No. 4096 (Piper Ranch) Limited Obligation Improvement Bonds issued on or about January 14, 2004 and outstanding under and pursuant to an Indenture, dated as of December 15, 2003, by and between the City and the predecessor to the Trustee.

“Written Certificate” and “Written Request” of the City mean, respectively, a written certificate or written request signed in the name of the City by an Authorized Representative of the City. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation; and the two or more so combined shall be read and construed as a single instrument.

“Yield on the Bonds” has the meaning as described in the Tax Certificate.

**Equality of Bonds; Pledge of Reassessments and Reassessment Installments; No Obligation to Cure Deficiency.** Pursuant to the Act and the Indenture, the Bonds are equally secured by a first pledge of and shall be equally payable from the Reassessments and Reassessment Installments without priority for number, issue date, date of sale, date of execution or date of delivery, and the payment of the interest on and principal of the Bonds and any premiums upon the redemption thereof are equally secured by a first pledge of and shall be exclusively paid from the Reassessments, the Reassessment Installments and moneys on deposit in the Reassessment Fund, Redemption Fund and the Reserve Fund which are set aside for and irrevocably pledged solely for the payment of the Bonds. The Reassessments, the Reassessment Installments, the amounts in the foregoing funds, and any interest earned on such funds shall constitute a trust fund held by the Trustee for the benefit of the Owners of the Bonds to be applied to the payment of the interest on, premium, if any, and principal of the Bonds and so long as any of the Bonds remain Outstanding and shall not be used for any other purpose, except as permitted by the Act, the Indenture or any Supplemental Indenture.

Nothing in the Indenture or any Supplemental Indenture shall preclude the redemption prior to maturity of any Bonds subject to call and redemption and payment of said Bonds from proceeds of refunding bonds.

## **AUTHORIZATION AND ISSUANCE OF BONDS**

**Authorization and Designation of Bonds.** The City has reviewed all proceedings previously taken relative to the authorization of the Bonds and has found, as a result of such review, and finds and determines, that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by the Act, and that the City is now authorized, pursuant to each and every requirement of the Act and of the Indenture, to issue the Bonds upon the security of the Reassessments in the aggregate principal amount and in the form and manner provided in the Indenture, which Bonds, upon their issuance, shall be entitled to the benefit, protection and security of the provisions thereof.

**Type and Nature of Bonds; Limited Liability.** Notwithstanding anything contained in the Indenture, in the Bonds, in the Act, any other provision of law, or in any of the resolutions adopted in connection with the proceedings for the formation of the Assessment District or the proceedings for the Reassessment to the contrary, all Bonds authorized pursuant to the Indenture shall be a special obligation of the City; and the City shall not under any circumstances (including, without limitation, after any installment of principal or interest of any Reassessment levied on any lot or parcel in the Assessment District becomes delinquent or after the City acquires title to any such lot or parcel whether through foreclosure or otherwise) be obligated to pay principal, premium, if any, or interest on the Bonds from any source whatsoever other than the Redemption Fund (including any transfers thereto from the Reassessment Fund and the Reserve Fund). Neither the City, the City Council, the officers or employees of the City, any person or entity acting for or on behalf of the City in connection with the issuance of the Bonds or in connection with the formation or operation of the Assessment District, nor any persons executing the Bonds, shall be liable personally on the Bonds or be subject to any personal liability for the Bonds or any personal liability or accountability whatsoever by reason of or in connection with the issuance of the Bonds or by reason of any act or acts or the

failure or omission to take any act or acts (including, without limitation, a negligent act or omission) in connection with or related to the formation or operation of the Assessment District.

**Execution and Authentication.** The Bonds shall be signed on behalf of the City by the manual or facsimile signatures of the Treasurer and the City Clerk in their respective capacities as officers of the City, and the seal of the City (or a facsimile thereof) may be impressed, imprinted, engraved or otherwise reproduced thereon. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed have been authenticated and delivered by the Trustee (including new Bonds delivered pursuant to the provisions of the Indenture with reference to the transfer and exchange of Bonds or to lost, stolen, destroyed or mutilated Bonds), such Bonds shall nevertheless be valid and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

**Book-Entry System.** The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of the Nominee as nominee of the Depository. Except as provided in the Indenture, all of the Outstanding Bonds shall be registered in the Bond Register the name of the Nominee.

With respect to Bonds registered in the Bond Register in the name of the Nominee, neither the City nor the Trustee shall have any responsibility or obligation to any Participant or to any Person on behalf of whom such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the Bonds are redeemed in part, or (iv) the payment to any Participant or any other Person, other than an Owner as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest due with respect to the Bonds. The City and the Trustee may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Trustee as the holder and absolute owner of such Bond for the purpose of payment of the principal of, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest due on the Bonds only to or upon the order of the respective Owner, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the City's obligations with respect to payment of the principal, premium, if any, and interest due on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the registration books kept by the Trustee, shall receive a Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to the Indenture. Upon delivery by the Depository to the Trustee and the City of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions in the Indenture with respect to Record Dates, the word Nominee in the Indenture shall refer to such new nominee of the Depository.

**Representation Letter.** In order to qualify the Bonds which the City elects to register in the name of the Nominee for the Depository's book-entry system, an authorized representative of the Trustee is authorized to execute from time to time and deliver to such Depository the Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of the Indenture or in any other way impose upon the City or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the Bond Register. The Trustee agrees to take all action necessary to continuously comply with all representations made by it in the Representation Letter. In addition to the execution and delivery of the Representation Letter, the Authorized Representatives of the City are

authorized to take any other actions, not inconsistent with the Indenture, to qualify the Bonds for the Depository's book-entry program.

**Payments to the Nominee.** Notwithstanding any other provisions of the Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal, premium, if any, and interest due with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

**Initial Depository and Nominee.** The initial Depository under the Indenture shall be The Depository Trust Company, New York, New York. The initial Nominee shall be Cede & Co., as Nominee of The Depository Trust Company, New York, New York.

**Transfers Outside of Book-Entry System.** In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the City determines that the Depository shall no longer so act, then unless the City identifies another qualified securities depository to replace the Depository the City will discontinue the book-entry system. If the City fails to identify another qualified securities depository to replace the Depository then the Bonds so designated shall no longer be restricted to being registered in the Bond Register kept by the Trustee in the name of the Nominee, but shall be registered in whatever name or names Persons transferring or exchanging Bonds shall designate, in accordance with the provisions of the Indenture.

**Bond Register.** The Trustee will keep or cause to be kept, at its corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times during regular business hours upon reasonable prior notice be open to inspection by the City; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be transferred on said Bond Register, Bonds as provided in the Indenture.

The City and the Trustee may treat the Owner of any Bond whose name appears on the Bond Register as the absolute Owner of such Bond for any and all purposes, and the City and the Trustee shall not be affected by any notice to the contrary. The City and the Trustee may rely on the address of the Owner as it appears in the Bond Register for any and all purposes. It shall be the duty of the Bondowner to give written notice to the Trustee of any change in the Owner's address so that the Bond Register may be revised accordingly.

**Mutilated, Lost, Destroyed or Stolen Bonds.** If a Bond shall become mutilated, the City shall execute, and the Trustee shall authenticate and deliver, a new Bond of like principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee; and, if such evidence is satisfactory to the Trustee and, if indemnity satisfactory to the Trustee shall be given, the City, at the expense of the Bondowner, shall execute and the Trustee shall authenticate and deliver, a new Bond dated as such Trustee shall determine in lieu of and in substitution for the Bond so lost, destroyed or stolen. Any Bond issued in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of the Indenture with all other Bonds issued thereunder. The Trustee shall not treat both the original Bond and any replacement Bond as being Outstanding Bonds for the purpose of determining the principal amount of Bonds which may be executed, authenticated and delivered or for the purpose of determining any percentage of Bonds Outstanding under the Indenture, but both the original and replacement bond shall be treated as one and the same. Notwithstanding any other provision of the Indenture, in lieu of delivering a new Bond to replace a Bond which has been mutilated, lost, destroyed or stolen, and which has matured or is about to mature, the Trustee may make payment with respect to such Bond upon receipt of indemnity satisfactory to it and the City.

## REDEMPTION OF BONDS

**Partial Redemption of Bonds.** Upon surrender of any Bond to be redeemed in part only, the City shall execute and the Trustee shall authenticate and deliver to the Owner, at the expense of the City, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds.

**Effect of Notice and Availability of Redemption Money.** Notice of redemption having been duly given, as provided in the Indenture, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(a) the Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in the Indenture, anything in the Indenture or in the Bonds to the contrary notwithstanding;

(b) upon presentation and surrender thereof at the corporate trust office of the Trustee, the redemption price of such Bonds shall be paid to the Owner thereof;

(c) after the redemption date the Bonds or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bonds or portions thereof shall cease to bear further interest; and

(d) after the date fixed for redemption no Owner of any of the Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of the Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

## INVESTMENTS

**Investments.** Moneys held in any of the funds and accounts under the Indenture shall be invested at the Written Direction of the City only in Permitted Investments which shall be deemed at all times to be a part of such funds and accounts. The Trustee shall provide monthly statements or reports of the principal balances and investment earnings thereon in each fund and account maintained by the Trustee under the Indenture.

Permitted Investments shall be purchased at such prices as may be specified or described in a Written Direction of the City (or in telephonic directions promptly confirmed in writing) delivered to the Trustee. The Trustee may conclusively reply upon the written instructions of the Authorized Representative as to both the suitability and legality of directed investments. Directions as to the purchase of all Permitted Investments shall be subject to the limitations set forth in the Indenture and such additional limitations or requirements consistent with the foregoing as may be established by the Treasurer.

Moneys in all funds and accounts except for the Reserve Fund shall be invested in Permitted Investments maturing, or with respect to which payments of principal and interest are scheduled or otherwise payable, not later than the date on which the Treasurer has estimated that such moneys will be required by the Trustee for the purposes specified in the Indenture. Moneys in the Reserve Fund shall be invested in Permitted Investments, not less than 50% of which must mature within one year of the date of purchase and all of which must mature within two years of the date of purchase; however, if a Permitted Investment may be redeemed or sold at par on the Business Day prior to each Interest Payment Date, all or a portion of the amount of the Reserve Fund may be invested therein. Permitted Investments purchased under a repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Permitted Investments for repurchase under such agreement.

All interest, profits and other income received from the investment of moneys in any fund or account established pursuant to the Indenture shall be retained therein, except to the extent that transfers from such

funds or accounts are authorized in the Indenture. For investment purposes only, the Trustee may commingle the funds and accounts established under the Indenture, and administered by the Trustee, but shall account for each separately.

Notwithstanding anything to the contrary contained in the Indenture, an amount of interest received with respect to any Permitted Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investment shall be credited to the fund or account for the credit of which such Permitted Investment was acquired.

For the purpose of determining the amount in any fund or account other than the Reserve Fund, all Permitted Investments credited to such fund or account shall be valued at the lower of the cost or the market value thereof, exclusive of accrued interest. Amounts in the Reserve Fund shall be valued at their market value at least annually on or before August 15. In making any such valuation, the Trustee may utilize nationally recognized securities valuation or pricing services available to it through its accounting system. The Trustee may rely on such valuations and shall not be responsible for the accuracy thereof.

The Trustee, or any of its affiliates, may act as principal or agent in the making or disposing of any investment or as a sponsor, depository, manager for or advisor to any issuer of Permitted Investments. The Trustee shall sell, or present for redemption, any Permitted Investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment, or any other investment made at the direction of the City or otherwise made in accordance with the Indenture.

In the absence of a Written Direction of the City received by Trustee at least two Business Days prior to the maturity of a Permitted Investment, the Trustee shall invest solely in Permitted Investments set forth in subsection (xiii) of the definition thereof.

The Trustee shall be entitled to rely conclusively upon the Written Direction of the City directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State of California and is a Permitted Investment as required by the Indenture, and the Trustee shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the list of Permitted Investments which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Permitted Investment obtained at the City's expense.

Except as specifically provided in the Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the City for earnings derived from funds that have been invested.

The Trustee shall furnish the City periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available to the City in online records maintained by the Trustee for a period of at least seven years and thereafter in archived records maintained by the Trustee which will be made available to the City upon request and at no additional cost. The City further understands that other trade confirmations may be obtained from the applicable broker.



## COVENANTS AND WARRANTY

**Warranty.** The City shall preserve and protect the security of the Bonds and the rights of the Owners against all claims and demands of all persons.

**Covenants.** So long as any of the Bonds are Outstanding and unpaid, the City makes the following covenants with the Owners under the provisions of the Act and the Indenture (to be performed by the City or its appropriate officers, agents or employees), which covenants are necessary, convenient and desirable to secure the Bonds and are designed to make them more marketable; provided, however, that said covenants do not require the City under any circumstances whatsoever to expend any funds or moneys other than the Reassessments and Reassessment Installments:

(a) Punctual Payment; Covenant Against Encumbrances. The City covenants that it will receive all Reassessment Installments in trust and will, consistent with the Indenture, deposit the Reassessment Installments with the Trustee and the City shall have no beneficial right or interest in the amounts so deposited except as provided by the Indenture. All such Reassessment Installments, whether received by the City in trust or deposited with the Trustee, all as provided in the Indenture, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes therein set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the City in accordance with the standard accounting practices of the City therefor.

The City covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond issued under the Indenture, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and in accordance with the Indenture to the extent Reassessments and interest earnings transferred to the Redemption Fund are available therefor, and that the payments into the Redemption Fund and the Reserve Fund will be made, all in strict conformity with the terms of the Bonds and the Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and all Supplements and of the Bonds issued thereunder. If at any time the total balance in the Redemption Fund, the Reassessment Fund and the Reserve Fund is sufficient to redeem all Outstanding Bonds pursuant to the Indenture, the Treasurer may direct the Trustee to effect such redemption on the earliest date on which all Outstanding Bonds may be redeemed.

The City will not mortgage or otherwise encumber, pledge or place any charge upon any of the Reassessments, and will not issue any obligation or security, payable in whole or in part from the unpaid Reassessments other than the Bonds.

(b) Covenant to Levy. The City will cause the Reassessment Installments required to pay the principal of and interest on the Bonds when due to be placed on the tax bills of the owners of the parcels assessed and covenants to levy assessments, as permitted by law, to satisfy the Administrative Expense Requirement.

(c) Foreclosure Proceedings. The City will determine or cause to be determined, not later than August 15 of each fiscal year in which Bonds are Outstanding, whether or not any owners of the real property within the Assessment District are delinquent in the payment of Reassessment Installments. If such delinquencies exist, the City shall order and caused to be commenced an action in the superior court to foreclose the lien of the Reassessment Installment(s) not paid when due, not later than the next following November 1, against any parcel that is subject to delinquencies of \$12,500 or more and against any group of parcels under common ownership with aggregate delinquencies of \$12,500 or more; provided that during any period in which the amount on deposit in the Reserve Fund is less than the Reserve Requirement, the City shall commence foreclosure proceedings against any parcel that is subject to any amount of delinquency. The City further covenants to diligently prosecute any such foreclosure action to judgment and foreclosure sale unless such delinquency is paid prior thereto. Upon the redemption or sale of the real property responsible for such delinquencies, the City shall first deposit to the Reserve Fund the amount of any delinquency advanced

therefrom and then disburse the remaining amount as set forth in the judgment of foreclosure or as required by law.

(d) Books and Accounts. The City will cause the Trustee to keep proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions made by its Trustee under the Indenture. Such books of record and accounts shall at all times during business hours and upon reasonable prior notice be subject to the inspection of the City or of the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding or their representatives authorized in writing.

(e) Tax Covenants. Notwithstanding any other provision of the Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest on the Bonds will not be adversely affected for federal income tax purposes by reason of the City's failure to do so, the City covenants to comply with all applicable requirements of the Code, necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

*Private Activity*. The City will not take or omit to take any action or make any use of the proceeds of the Bonds or of any other moneys or property which would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code.

*Arbitrage*. The City will make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

*Federal Guarantee*. The City will make no use of the proceeds of the Bonds or take or omit to take any action that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

*Information Reporting*. The City will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

*Rebate Requirements*. The City will take no action inconsistent with its expectations stated in the Tax Certificate and will comply with the covenants and requirements stated therein and incorporated by reference in the Indenture. Without limiting the generality of the foregoing, the City agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. In particular, the City shall direct the Trustee to transfer to the Rebate Fund amounts sufficient to pay and shall instruct the Trustee to pay to the United States Treasury any amounts required to be paid as set forth in the Indenture.

(f) Collection of the Administrative Expense Requirements. The City covenants that it will collect annually an amount specified by an Authorized Representative of the City to be the Administrative Expense Requirement to pay for Administrative Expenses.

## AMENDMENTS TO AGREEMENT

**Amendments Not Requiring Bondowner Consent.** The City may from time to time, and at any time, without notice to or consent of any of the Bondowners, adopt Supplements to the Indenture for any of the following purposes:

(a) to cure any ambiguity or to correct or supplement any provisions in the Indenture provided that such action shall not materially adversely affect the interests of the Beneficial Owners;

(b) to add to the covenants and agreements of, and the limitations and the restrictions upon, the City contained in the Indenture, other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(c) to modify, amend or supplement the Indenture in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute later in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not, materially adversely affect the interests of the Beneficial Owners; or

(d) to modify, alter, amend or supplement the Indenture in any other respect which is not materially adverse to the Beneficial Owners.

**Amendments Requiring Bondowner Consent.** Exclusive of the Supplements described in the Indenture, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right to consent to and approve such Supplements as shall be deemed necessary or desirable by the City for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided, however, that nothing in the Indenture shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal, or the payment date of any principal or interest on, any Bond, (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, (c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds the Owners of which are required to consent to such Supplement without the consent of the Owners of all the Bonds then Outstanding.

If at any time the City shall desire to enter into a Supplement, which pursuant to the terms of the Indenture shall require the consent of the Bondowners, the City shall so notify the Trustee and shall deliver to the Trustee a copy of the proposed Supplement. The Trustee shall, at the expense of the City, cause notice of the proposed Supplement to be mailed, by first class mail postage prepaid, to all Bondowners and their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that a copy thereof is on file at the office of the Superintendent of Streets and the corporate trust office of the Trustee for inspection by all Bondowners. The failure of any Bondowners to receive such notice shall not affect the validity of such Supplement when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding as required by the Indenture. Whenever at any time within one year after the date of the first mailing of such notice the Trustee shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplement described in such notice, and shall specifically consent to and approve the Supplement substantially in the form of the copy referred to in such notice as on file with the Superintendent of Streets and the Trustee, such proposed Supplement, when duly executed by the City, shall thereafter become a part of the proceedings for the issuance of the Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds have consented to the adoption of any Supplement, Bonds which are owned by the City or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the City, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination. Upon request, the City shall designate to the Trustee those Bonds disqualified by the Indenture.

Upon the execution and delivery by the City and the Trustee of any Supplement and the receipt of consent to any such Supplement from the Owners of not less than a majority in aggregate principal amount of Bonds Outstanding in instances where such consent is required pursuant to the provisions of the Indenture, the Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the City, the Trustee and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

No Supplement pursuant to the Indenture shall modify or amend any of the rights or obligations of the Trustee without its written consent thereto. The Trustee may request an opinion of counsel, at the expense of the City, that any such Supplement complies with the Indenture and the Trustee may conclusively rely upon such opinion.

**Notation of Bonds; Delivery of Amended Bonds.** After the effective date of any action taken as provided in the Indenture, the City may determine that the Bonds may bear a notation, by endorsement in form approved by the City, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the office of the Trustee, a suitable notation as to such action shall be made on such Bonds. If the City shall so determine, new Bonds so modified as, in the opinion of the City, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the office of the Trustee without cost to each Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

## **TRUSTEE**

**Trustee.** Union Bank, N.A. is appointed Trustee for the City for the purpose of receiving all money which the City is required to deposit with the Trustee under the Indenture and to allocate, use and apply the same as provided in the Indenture.

The Trustee is authorized to and shall mail by first-class mail, postage prepaid, interest payments to the Bondowners, select Bonds for redemption, and maintain the Bond Register. The Trustee is authorized to pay the principal of and premium, if any, on the Bonds when the same are duly presented to it for payment at maturity or upon redemption, to provide for the registration of transfer and exchange of Bonds presented to it for such purposes, to provide for the cancellation of Bonds, and to provide for the authentication of Bonds, and shall perform all other duties assigned to or imposed on it as provided in the Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds paid and discharged by it.

The Trustee is authorized to pay the Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the City pursuant to the Indenture. The Trustee shall keep accurate records of all Bonds paid and discharged and canceled by it for six years or such longer period as required by applicable law or the policies of the Trustee.

The Trustee shall supply information regarding investments made under the Indenture at the written request of the City including: (i) purchase date, (ii) purchase price, (iii) any accrued interest paid, (iv) face amount, (v) coupon rate, (vi) periodicity of interest payments, (vii) disposition price, (viii) any accrued interest, received, and (ix) disposition date. In the event a Nonpurpose Investment is subject to a receipt of bids, the City shall maintain a record of all information establishing fair market value on the date such investment became a Nonpurpose Investment. Such detailed record keeping is required for the calculation of the Rebate Requirement which shall be performed by the City and, in part, will require a determination of the difference between the actual aggregate earnings of all Nonpurpose Investments and the amount of such earnings assuming a rate of return equal to the Yield on the Bonds.

The Trustee shall receive as compensation for its services under the Indenture only such fees as are set forth on the fee schedule attached to the Indenture, which fee schedule is incorporated therein; and the Trustee shall be entitled to be reimbursed by the City for its other reasonable expenses thereunder, including the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its rights and its duties thereunder. All such fees and reimbursements shall be paid solely from amounts held in the Administrative Expense Fund pursuant to a Written Request of an Authorized Representative.

The City shall indemnify, defend and save the Trustee harmless against any losses, costs, expenses or liabilities, including reasonable fees and expenses of its attorneys (including the allocated costs and disbursements of in house counsel, to the extent such services are not redundant with those provided by outside counsel), not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties under the Indenture, which indemnity shall survive discharge of the Bonds. The costs of the foregoing shall be paid solely from amounts held in the Administrative Expense Fund pursuant to a Written Request of an Authorized Representative.

Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under the Indenture, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything in the Indenture to the contrary notwithstanding.

**Removal of Trustee.** The City may in the absence of an event of default at any time, in the exercise of its sole discretion, upon thirty (30) days prior written notice to the Trustee, remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company doing business and having a corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital and surplus) (or whose parent or holding company has a combined capital (exclusive of borrowed capital and surplus) of at least one hundred million dollars (\$100,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of the Indenture the combined capital and surplus shall be as set forth in its most recent report of condition so published. The City shall notify the Bondowners in writing of any such removal of the Trustee and appointment of a successor thereto.

**Resignation of Trustee.** The Trustee may at any time resign by giving written notice to the City. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event that the City does not appoint a successor Trustee within thirty (30) days following receipt of such notice of resignation, the resigning Trustee may petition an appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the written acceptance of appointment by the successor Trustee, and notice to the Bondowners of the Trustee's identity and address.

**Liability of Trustee.** The recitals of fact and all promises, covenants and agreements contained in the Indenture and in the bonds shall be taken as statements, promises, covenants and agreements of the City, and the Trustee assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of the Indenture or of the Bonds or the tax status of the interest thereon, and shall incur no responsibility in respect thereof other than in connection with its duties or obligations in the Indenture or in the Bonds or in the certificate of authentication assigned to or imposed upon the Trustee. The Trustee shall have no duties or obligations other than as specifically set forth therein and no implied duties, covenants or obligations shall be read into the Indenture against the Trustee. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value. The Trustee shall not be liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful misconduct.

The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of debt service by the City or with respect to the observance or performance by the City of the other conditions, covenants and terms contained in the Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the City pursuant to the Indenture or otherwise; provided however that the Trustee provide the Bondowners with notice of event of default under the Indenture.

The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, bond or other paper or documents believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel to the City, at the expense of the City, with regard to legal questions, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered under the Indenture and in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be in the Indenture specifically prescribed) may, in the absence of willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a written certificate of the City, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

The Trustee shall have no duty or obligations whatsoever to enforce the collection of Reassessments or other funds to be deposited with it under the Indenture, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it shall actually receive. The Trustee shall have no duty or obligation to monitor the City's compliance with the Act. No provision in the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

The Trustee shall have no responsibility, opinion or liability with respect to any information, statement or recital in any official statement or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

All protections extended to the Trustee shall also extend to its officers, directors, employees and agents. The Trustee's rights to indemnification under the Indenture and to payment of its fees and expenses shall survive its resignation or removal and the final payment or defeasance of the Bonds.

The Trustee makes no covenant, representation or warranty concerning the current or future tax status of interest on the Bonds.

The Trustee may become an Owner with the same rights it would have if it were not Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of the majority in principal amount of the Bonds then Outstanding.

The Trustee may execute any of the trusts or powers of the Indenture and perform the duties required of it thereunder by or through attorneys, agents, or receivers, shall not be responsible for the actions or omissions of such attorneys, agents or receivers if appointed by it with reasonable care, and shall be entitled to advice of counsel concerning all matters of trust and its duty thereunder.

The Trustee shall not be liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful misconduct. The Trustee shall only perform those duties specifically set forth therein and no implied duties, covenants or obligations whatsoever shall be read into the Indenture. In the event of and during the continuance of an Event of Default, the Trustee shall exercise such care in performing its duties thereunder as a prudent person would exercise under the circumstances in the conduct of its own affairs. No action by the Trustee shall be construed or deemed to expand the limitations on the scope of the Trustee's duties. The Trustee shall not be considered in breach of or in default in its obligations under the Indenture in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Assessment District, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

In accepting the duties of the Trustee created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and all persons, including, without limitation, the Owners and the City, having any claim against the Trustee arising from the Indenture shall look only to the funds and accounts held by the Trustee under the Indenture for payment, except as otherwise provided therein or where the Trustee has breached its standard of care as described in the Indenture. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, which such majority of the Owners may give, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or in the exercise of any right under the Indenture. In the event of conflicting instructions under the Indenture, the Trustee shall have the right to decide the appropriate course of action and be protected in so doing.

The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed in any respect relating to the Bonds.

The Trustee shall not be deemed to have knowledge of any Event of Default under the Indenture unless it has actual knowledge thereof at its Principal Office.

**Interested Transactions.** The Trustee and its officers and employees may acquire and hold Bonds with the same effect as if it were not Trustee. The Trustee, either as principal or agent, may engage in or be interested in any financial or other transaction with the City.

**Agents.** The Trustee may execute any of its trusts or powers or perform its duties through attorneys, agents or receivers and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it with reasonable care.

#### **EVENTS OF DEFAULT; REMEDIES**

**Event of Default.** Any one or more of the following events shall constitute an "event of default":

(a) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or from mandatory redemption;

(b) Default in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable; or

(c) Default by the City in the observance of any of the other agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after the City shall have been given notice in writing of such default by the Trustee or any Owner, provided that if within thirty (30) days the City has commenced curing of the default and diligently pursues elimination thereof, such period shall be extended to permit such default to be eliminated.

The Trustee shall provide notice to the Owners of the occurrence of an event of default after the Trustee has actual knowledge of such occurrence.

**Remedies.** Following the occurrence and during the continuance of an event of default, the Trustee may pursue any available remedy at law or in equity to enforce the provisions of the Indenture and to enforce any rights of the Trustee under the Indenture, including:

(a) by mandamus or other suit or proceeding at law or in equity to enforce the rights of the Owners and/or of the Trustee against the City and any of the officers and employees of the City, and to compel the City or any such officers or employees to perform and carry out their duties under the Act and their agreements with the Owners and the Trustee as provided in the Indenture;

(b) by suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners and/or of the Trustee; or

(c) by a suit in equity to require the City and its members, officers and employees to account as the trustee of an express trust.

If an event of default shall have occurred and be continuing and if requested so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds and if indemnified to its satisfaction, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Indenture, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

No remedy conferred in the Indenture upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or now or later existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

## **DEFEASANCE**

**Defeasance.** If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of any Outstanding Bonds the interest due thereon and the principal thereof, at the times and in the manner stipulated therein and in the Indenture, then the Owners of such Bonds shall cease to be entitled to the pledge of Reassessments and other amounts under the Indenture, and all covenants, agreements and other obligations of the City to the Owners of such Bonds under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied except for the City's covenant under the Indenture. In such event, the Trustee shall execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the City after payment of any amounts due the Trustee under the Indenture all money or securities held by it pursuant to the Indenture which are not required for the payment of the interest due on, and the principal of, such Bonds.



Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the Indenture if such Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest with respect to such Bond, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Reassessment Fund, the Reserve Fund and the Redemption Fund, is fully sufficient to pay the principal of, premium and interest on such Bond as and when the same shall become due and payable; or

(c) by depositing with the Trustee, in trust, Federal Securities in such amount as an Independent Financial Consultant shall determine will, together with the interest to accrue thereon and moneys then on deposit in the Reassessment Fund, the Reserve Fund and the Redemption Fund which is available to pay such Bond, together with the interest to accrue thereon without further investment, be fully sufficient to pay and discharge the principal of, premium, if any, and interest on such Bond as and when the same shall become due and payable; then, notwithstanding that such Bond shall not have been surrendered for payment, all obligations of the City under the Indenture with respect to such Bond shall cease and terminate, except for the obligation of the Trustee to pay or cause to be paid to the Owner of any Bond not so surrendered and paid, all sums due thereon from funds provided to it by the City and except for the City's covenant under the Indenture. Any money or securities deposited with the Trustee to defease any Bond or Bonds shall be accompanied by a certificate of a certified public accountant confirming the accuracy of the calculations establishing the sufficiency of such deposit. Any funds held by the Trustee at the time of payment or defeasance of all Outstanding Bonds, which are not required for the purpose above mentioned, or for payment of amounts due the Trustee under the Indenture shall be paid over to the City.

#### MISCELLANEOUS

**Cancellation of Bonds.** All Bonds surrendered to the Trustee for payment upon maturity or for redemption shall upon payment therefor, and any Bond purchased by the City as authorized in the Indenture shall be, cancelled forthwith and shall not be reissued.

**Execution of Documents and Proof of Ownership.** Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by the Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor, may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the commercial bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds shall be sufficient for the purposes of the Indenture (except as otherwise provided in the Indenture), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any commercial bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

As to any Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of any such Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond and the interest thereon to the extent of the sum or sums to be paid.

The Trustee shall not be affected by any notice to the contrary. Nothing contained in the Indenture shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept other evidence of the matters in the Indenture stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

**Unclaimed Moneys.** Anything in the Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds which remains unclaimed for one year after the Bonds become due and payable, if such money was held by the Trustee at such date, or for one year after the date of deposit of such money if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid by the Trustee to the City, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the City for the payment of such Bonds; provided, however, that, before being required to make any such payment to the City, the Trustee shall, at the written request and the expense of the City, cause to be mailed to the registered Owners of such Bonds, at their addresses as they appear on the Bond Register, a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than thirty (30) days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the City.

**Provisions Constitute Contract; Successors.** The provisions of the Indenture shall constitute a contract between the City and the Bondowners and the provisions of the Indenture shall be construed in accordance with the laws of the State of California. The City and the Trustee acknowledge and agree that the Bondholders are third party beneficiaries of the Indenture and shall be entitled to enforce the provisions of the Indenture against the City and the Trustee in the same manner as if the Bondholders were parties to the Indenture.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken by the Trustee at the direction of the Bondowners, and the Trustee shall prevail, the Trustee and such Bondowners shall be entitled to receive from the Assessment District reimbursement for reasonable costs, expenses, outlays and attorneys' fees (including the allocated costs and disbursements of in-house counsel, to the extent such services are not redundant with those provided by outside counsel), and should said suit, action or proceeding be abandoned, or be determined adversely to the Trustee, then the City, the Trustee and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds the Indenture shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in the Indenture, but to no greater extent and in no other manner.

This Indenture shall be binding upon the City and the Trustee and shall inure to the benefit of the City, the Trustee, the Bondholders, and their respective successors and assigns.

**Further Assurances; Incontestability.** The City 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 of the rights and benefits provided in the Indenture.

After the sale and delivery of the Bonds by the City, the Bonds shall be incontestable by the City.

**General Authorization.** Authorized Representatives of the City are respectively authorized to do and perform from time to time any and all acts and things consistent with the Indenture necessary or appropriate to carry the same into effect.

**Action on Next Business Day.** If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Indenture, is not a Business Day, such payment, with no interest accruing for the period from and after such nominal date, may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided therefore in the Indenture.

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**APPENDIX D**

**OPINION OF BOND COUNSEL**

\_\_\_\_\_, 2013

City Council  
The City of San Diego  
San Diego, California

*Re: \$3,830,000 The City of San Diego Assessment District No. 4096 (Piper Ranch) Limited  
Obligation Refunding Bonds*

Ladies and Gentlemen:

We have examined certified copies of proceedings taken by The City of San Diego (the “City”) for the issuance of bonds designated “The City of San Diego Assessment District No. 4096 (Piper Ranch) Limited Obligation Refunding Bonds” (the “Bonds”) pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds (comprising Division 11.5 of the California Streets and Highways Code). The Bonds are being issued for the purpose of refunding certain outstanding Limited Obligation Improvement Bonds issued by the City for Assessment District No. 4096 (Piper Ranch). The Bonds are issued pursuant to the City’s Resolution No. 308240 (the “Resolution of Issuance”) and an indenture (the “Indenture”) dated as of June 1, 2013, by and between the City and Union Bank, N.A., as trustee. Capitalized terms not defined herein shall have the meanings set forth in the Indenture.

The Bonds are dated their date of delivery and mature on the dates and in the amounts set forth in the Indenture and are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth in the Indenture. The Bonds bear interest payable semiannually on each March 2 and September 2, commencing on March 2, 2014, at the rates per annum set forth in the Indenture.

In rendering the opinions set forth below, we have examined certified copies of the proceedings of the City, and other information submitted to us relative to the issuance and sale by the City of the Bonds. We have examined originals, or copies identified to our satisfaction as being true copies, of the Indenture, the Tax Certificate relating to the Bonds (the “Tax Certificate”), the resolutions of the City Council adopted on June 4, 2013 with a date of final passage of June 5, 2013 with respect to the Bonds and the Reassessments, and such other documents, agreements, opinions and matters as we have considered necessary or appropriate under the circumstances to render the opinions set forth herein. We have assumed the genuineness of all documents and signatures presented to us, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the preceding paragraphs of this opinion.

Based upon the foregoing and in reliance thereon and on all matters of fact we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

1. The City has duly authorized the issuance of the Bonds. The Bonds and the Indenture constitute legal, valid and binding limited obligations of the City enforceable in accordance with their terms, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, fraudulent conveyance or transfer, insolvency or other laws affecting creditors’ rights generally, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases and by limitations on legal

remedies against public agencies in the State of California; provided, however, we express no opinion with respect to any indemnification, contribution, penalty, choice of law or waiver provisions contained therein.

2. The Bonds are issued upon and secured by the Reassessments in Assessment District No. 4096 (Piper Ranch), together with interest thereon. The unpaid Reassessments, together with interest thereon, constitute a trust fund for the redemption and payment of the principal of the Bonds and the interest thereon; the Bonds are secured by the moneys in the Redemption Fund and the Reserve Fund established in the Indenture and by the unpaid Reassessments; and the Bonds are payable, as to both principal and interest, exclusively out of the Redemption Fund and money transferred from the Reserve Fund.

3. The Indenture creates a valid pledge of and lien upon the unpaid Reassessments and the interest thereon and the moneys in all funds and accounts established pursuant to the Indenture, other than the Administrative Expense Fund and the Rebate Fund, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

4. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations, such interest may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of such corporations.

5. Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

6. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond. Original issue discount that accrues to the Bond owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations (as described in paragraph 4 above) and is exempt from State of California personal income tax.

7. The amount by which a Bond owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond owner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner.

The opinions expressed in paragraphs 4 and 6 above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is subject to the condition that the City complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements.

Except as set forth in paragraphs 4, 5, 6 and 7 above, we express no opinion as to any tax consequences related to the Bonds. Other provisions of the Code may give rise to adverse federal income tax consequences to particular Bondholders. The scope of this opinion is limited to matters addressed above and no opinion is expressed hereby regarding other federal tax consequences that may arise due to ownership of the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. We express no opinion herein as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any Bond if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

The opinions expressed herein and the exclusion of interest on the Bonds from gross income for federal income tax purposes may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Our engagement as Bond Counsel terminates upon the issuance of the Bonds and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken (or not taken) or do occur (or do not occur).

Respectfully submitted,

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## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of June 1, 2013 (the “Disclosure Certificate”) is executed and delivered by The City of San Diego (the “Issuer”) in connection with the issuance and delivery by the Issuer of its Assessment District No. 4096 (Piper Ranch) Limited Obligation Refunding Bonds in the aggregate principal amount of \$3,830,000 (the “Bonds”). The Bonds are being issued pursuant to a Resolution adopted by the City Council of the Issuer on June 4, 2013 and a Indenture dated as of June 1, 2013 (the “Indenture”) by and between the Issuer and Union Bank, N.A., as Trustee (the “Trustee”).

The Issuer covenants as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer, for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule (as defined below).

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

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

“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 purposes.

“Disclosure Representative” shall mean the Chief Operating Officer or the Chief Financial Officer of The City of San Diego, or their designees, or such other officer or employee as the Issuer shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer which has filed with the then current Dissemination Agent a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB.

“Issuer” shall mean The City of San Diego.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board and any successor entity designated under the Rule as the repository for filings made pursuant to the Rule.

“Official Statement” means the Official Statement for the Bonds dated June 18, 2013.

“Participating Underwriters” shall mean E. J. De La Rosa & Co., Inc. and Stifel, Nicolaus & Company, Incorporated.

“Repository” shall mean the MSRB or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Unless otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“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.

### SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent by written direction to such Dissemination Agent to, not later than the April 1 after the end of the Issuer’s fiscal year (which currently ends on June 30), commencing with the report for the fiscal year ending June 30, 2013, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issue may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

An Annual Report shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The Issuer’s fiscal year is currently effective from July 1 to the immediately succeeding June 30 of the following year. The Issuer will promptly notify the Repository of a change in the fiscal year dates.

(b) In the event that the Dissemination Agent is an entity other than the Issuer, then the provisions of this Section 3(b) shall apply. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report, the Issuer shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) Business Days prior to the due date for an Annual Report the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer will be filing the Annual Report in compliance with subsection (a). The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Issuer and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is other than the Issuer and if the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repository by the date required in subsection (a), the Dissemination Agent shall send a notice to the Repository, in the form required by the Repository.

(d) If the Dissemination Agent is other than the Issuer, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Repository if other than the MSRB; and

(ii) promptly after receipt of the Annual Report, file a report with the Issuer certifying that the Annual Report has been provided to the Repository and the date it was provided.

(e) Notwithstanding any other provision of this Disclosure Certificate, all filings shall be made in accordance with the MSRB’s EMMA system or in another manner approved under the Rule.

### SECTION 4. Content of Annual Reports.

The Annual Report shall consist of the financial statements described in (a) below and the financial and operating data described in (b) below.

(a) Financial Statements. The audited financial statements of the Issuer for the most recent fiscal year then ended shall be provided in the Annual Report. If the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the Issuer in a format similar to the financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the Issuer shall be audited by such auditor as shall then be required or permitted by State law and shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the Issuer may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the Issuer shall modify the basis upon which its financial statements are prepared, the Issuer shall provide the information referenced in Section 8(d) below.

(b) Financial and Operating Data. In addition to the financial statements, the Annual Report shall contain or incorporate by reference the following information:

(i) the principal amount of Bonds outstanding as of the September 30 preceding the filing of the Annual Report;

(ii) the balance in the Reassessment Fund, the Redemption Fund and the Reserve Fund established under the Bond Indenture as of the September 30 preceding the filing of the Annual Report;

(iii) an update of Tables 3 and 4 of the Official Statement and a description of any parcels for which the Reassessments have been prepaid, including the amount prepaid, since the date of the last Annual Report;

(iv) an update of Table 7 of the Official Statement with respect to the last five full fiscal years only.

(c) Any or all of the items listed in (a) or (b) above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer 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 Issuer shall give, or cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);
6. tender offers;

7. defeasances;
8. ratings changes; and
9. bankruptcy, insolvency, receivership or similar proceedings.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
3. appointment of a successor or additional trustee or the change of the name of a trustee;
4. nonpayment related defaults;
5. modifications to the rights of Owners of the Bonds;
6. notices of redemption; and
7. release, substitution or sale of property securing repayment of the Bonds.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event under Section 5(b) above, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the Issuer shall file a notice of such occurrence with the Repository in a timely manner not more than 10 business days after the event.

(e) The Issuer hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the Issuer and that the Dissemination Agent shall not be responsible for determining whether the Issuer's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation. The obligations of the Issuer and the Dissemination Agent under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Issuer. The Dissemination Agent may resign by providing (i) thirty days written notice to the Issuer, and (ii) upon appointment of a new Dissemination Agent hereunder.

SECTION 8. Amendment.

(a) This Disclosure Certificate may be amended, by written agreement of the parties, without the consent of the Owners, if all of the following conditions are satisfied: (i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby; (ii) this Disclosure Certificate as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (iii) the Issuer shall have delivered to the Dissemination Agent an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer, to the same effect as set forth in clause (ii) above; (iv) the Issuer shall have delivered to the Dissemination Agent an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer, to the effect that the amendment does not materially impair the interests of the Owners or Beneficial Owners; and (v) the Issuer shall have delivered copies of such opinion and amendment to the Repository.

(b) This Disclosure Certificate also may be amended by written agreement of the parties upon obtaining consent of Owners in the same manner as provided in the Bond Indenture for amendments to the Bond Indenture with the consent of the Owners of the Bonds; provided that the conditions set forth in Section 8(a)(i), (ii), (iii) and (v) have been satisfied.

(c) To the extent any amendment to this Disclosure Certificate results in a change in the type of financial information or operating data provided pursuant to this Disclosure Certificate, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) If an amendment is made to the basis on which financial statements are prepared, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate 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 Issuer or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Owner 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 Issuer and/or the Dissemination Agent to comply with their respective obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. Where an entity other than the Issuer is acting as the Dissemination Agent, the Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. Any Dissemination Agent other than the Issuer shall be paid (i) compensation by the Issuer for its services provided hereunder in accordance with a schedule of fees to be mutually agreed to; and (ii) all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder, provided that such payments shall be made only from funds available for such purpose in the Administrative Expense Fund established under the Indenture. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Issuer pursuant to this Disclosure Certificate. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Certificate. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach under this Disclosure Certificate.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Notices. Notices with respect to this Disclosure Certificate should be sent in writing to:

Disclosure Representative: City of San Diego  
202 C Street, MS 7B  
San Diego, California 92101  
Attention: Chief Financial Officer

CITY OF SAN DIEGO

By: \_\_\_\_\_  
Disclosure Representative

## APPENDIX F

### BOOK-ENTRY ONLY SYSTEM

*The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.*

The Depository Trust Company ("DTC"), New York, New York, 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 Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 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 prepayments, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of 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 a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City 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, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City 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.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

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

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

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.







FOR ADDITIONAL BOOKS: [ELABRA.COM](http://ELABRA.COM) OR (888) 935-2272