

ANNUAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

\$5,430,000

CITY OF SAN DIEGO

Assessment District No. 4096 (Piper Ranch)

Limited Obligation Improvement Bonds

(CUSIP Number 797283)

The following Annual Report is being provided by the City of San Diego (the "City") for the above stated issue (the "Bonds"), pursuant to the Continuing Disclosure Certificate requirements and in compliance with Securities and Exchange Commission Rule 15c2-12 for the fiscal year ending June 30, 2010 (the "Annual Report").

The Annual Report, including any amendment or supplement hereto, is electronically transmitted by the City acting as the Dissemination Agent to the Electronic Municipal Market Access ("EMMA") System of the Municipal Securities Rulemaking Board ("MSRB").

The Annual Report is provided in accordance with the terms of the Continuing Disclosure Certificate, and does not purport to provide full and complete information on the terms of the Bonds. The filing of the Annual Report does not constitute or imply any representation that no changes, circumstances or events have occurred since the end of the fiscal year to which the Annual Report relate (other than as contained in the Annual Report), or that no other information exists which may have a bearing on the security for the Bonds, or an investor's decision to buy, sell or hold the Bonds. Certain information and data provided herein was obtained from sources other than the City (the "Outside Information"), as indicated by the source citations. Although the information contained in the Annual Report has been obtained from sources which are believed to be reliable, the City has not independently verified such Outside Information, and the City cannot guarantee its completeness or accuracy. No statements in this annual report should be construed as a prediction or representation about future financial performance of the City or Assessment District No. 4096 (Piper Ranch).

The Annual Report does not include the audited financial statements of the District. The District is a blended component unit of the City and the audited financial statements of the District are prepared with and included in the City's Comprehensive Annual Financial Report ("CAFR"). The preparation of the City's CAFR for the fiscal year ending June 30, 2010, has been delayed due to technical difficulties encountered during the implementation of a new enterprise resource planning system. Due to this delay, the City's CAFR was not available as of the date of this Annual Report. The City expects to release the CAFR, including the audited financial statements, in August 2011 at which time it will be separately transmitted to EMMA.

The City is acting as the Dissemination Agent for the above stated issue. The City does not have any obligation to update this report other than as expressly provided in the Continuing Disclosure Certificate.

Any statements regarding the above stated issue, other than a statement made by the City in an official release or subsequent notice or annual report, published in a financial newspaper of general circulation and/or filed with the MSRB EMMA system, are not authorized by the City. The City shall not be responsible for the accuracy, completeness or fairness of any such unauthorized statement.

DATED: March 25, 2011

CITY OF SAN DIEGO

By: Mary Lewis
Mary Lewis
Chief Financial Officer

CITY OF SAN DIEGO
Assessment District No. 4096 (Piper Ranch)
Limited Obligation Improvement Bonds

Annual Report Under the Continuing Disclosure Certificate
Fiscal Year Ending June 30, 2010

This Annual Report includes information required by the Continuing Disclosure Certificate for the City of San Diego Assessment District No. 4096 (Piper Ranch) Limited Obligation Improvement Bonds.

- (a) See Page 1 of Introduction.

- (b) All data is as of December 31, 2010 (except as noted in the attached tables), pursuant to the Continuing Disclosure Certificate.

- (i) Principal Amount of Bonds Outstanding: \$ 4,135,000

Source: City of San Diego, Debt Management

- (ii) Balance in the Reserve Fund: \$ 341,386
Reserve Requirement: \$341,083

The Reserve Requirement is, 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.

In calculating such amounts, the principal amount of the Deemed Escrow Bonds, as of such date of calculation, and the annual debt service thereon, shall be excluded.

Source: Union Bank of California Trustee Statements; City of San Diego, Debt Management

- (iii) Balance in the Improvement Fund: \$ 0

Source: Union Bank of California Trustee Statements; City of San Diego, Debt Management

(iv) The assessment delinquency rate for the District as of December 31 of the prior calendar year; the number of parcels delinquent in payment of assessments as of December 31 of the prior calendar year; the amount of each delinquency; the length of time delinquent and the date on which foreclosure was commenced.

See Attached **Exhibit 1**

(v) The status of foreclosure proceedings and summary of the results of any foreclosure sales as of December 31 of the prior calendar year.

See Attached **Exhibit 1**

(vi) The identity of any property owner, representing more than 5% of the assessment levy, delinquent in payment of assessments as of December 31 of the prior calendar year.

As of December 31, 2010, no property owners representing more than 5% of the assessment levy were delinquent in payment of assessments.

Source: City of San Diego, Debt Management; San Diego County Delinquency Reports

(vii) Update of the information contained in Table 1 of the Official Statement:

See Attached **Exhibit 2**

(c) In addition to any of the information expressly required to be provided under subsections (a) and (b) of this Section, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

The City is unaware of any further information that may be necessary to make the information expressly required under subsections (a) and (b) not misleading.

Source: City of San Diego, Debt Management

CITY OF SAN DIEGO
Assessment District No. 4096 (Piper Ranch)
Limited Obligation Improvement Bonds
Delinquency Summary
As of December 31, 2010

District Delinquency History

Fiscal Year	Parcels Assessed	Parcels Delinquent	Assessment Levy	Fiscal Year-End Delinquencies		Amount Remaining Delinquent As of 1/12/11	Percent Remaining Delinquent As of 1/12/11
				Amount Delinquent ^(a)	Percent Delinquent		
2010-11 ^(b)	21	2	\$ 185,120	\$ 10,232	5.53%	\$ 10,232	5.53%
2009-10	21	1	363,995	6,464	1.78%	6,464	1.78%
2008-09	21	2	356,731	20,789	5.83%	9,958	2.79%
2007-08	27	0	382,310	6,792	1.78%	0	0.00%
2006-07	27	0	390,811	6,943	1.78%	0	0.00%
2005-06	27	0	407,744	0	0.00%	0	0.00%
2004-05	23	0	319,676	0	0.00%	0	0.00%
Total Amount Delinquent:						\$ 26,653	

^(a) The data is as of August 8, 2007 for Fiscal Year 2006-07; August 27, 2008 for Fiscal Year 2007-08; August 18, 2009 for Fiscal Year 2008-09; and August 17, 2010 for Fiscal Year 2009-10.

^(b) The data is as of January 12, 2011 for Fiscal Year 2010-11; first installment only.

Delinquent Parcel Detail

Parcel Number	Fiscal Year	Delinquent Installment	Amount Delinquent	Percent of Assessment Levy	Date Foreclosure Commenced ^(a)	Status of Foreclosure Proceedings ^(a)
646-240-53-00	2008-09	1st (due 12/10/08)	3,167	1.78%	City Council authorized the filing of a judicial foreclosure lawsuit on 9/21/10.	Tax roll removal completed and City Attorney's Office has initiated action.
	2008-09	2nd (due 4/10/09)	3,167	1.78%		
	2009-10	1st (due 12/10/09)	3,232	1.78%		
	2009-10	2nd (due 4/10/10)	3,232	1.78%		
	2010-11	1st (due 12/10/10)	3,287	1.78%		
		Account Subtotal:	16,086			
646-240-58-00	2008-09	2nd (due 4/10/09)	3,623	2.03%	NA	NA
		Account Subtotal:	3,623			
646-240-59-00	2010-11	1st (due 12/10/10)	6,945	3.75%	NA	NA
		Account Subtotal:	6,945			
Total Amount Delinquent:			26,653			

^(a) The District has covenanted that it will commence judicial foreclosure proceedings against parcels with delinquent special assessments in excess of \$12,500 by the November 1 following the close of each fiscal year in which such special assessments were levied.

Source: City of San Diego, Debt Management; San Diego County Delinquency Reports
 NBS (Assessment Administrator)

City of San Diego
Description of Assessment District No. 4096 (Piper Ranch)⁽¹⁾

(Update of Table 1 of Official Statement – as of December 31, 2010)

APN	Net Acres	Total 2010/11 Assessed Value ⁽²⁾	Remaining Assessment Amount ⁽³⁾
646-240-49-00	6.65	\$ 5,879,847	\$ 455,358
646-240-50-00	5.25	6,556,273	359,493
646-240-51-00	6.63	8,376,081	453,989
646-240-52-00	0.88	1,306,635	60,550
646-240-53-00	1.04	1,524,767	71,559
646-240-54-00	1.03	1,295,836	70,870
646-240-55-00	0.88	1,258,042	60,550
646-240-56-00	1.78	2,741,779	122,475
646-240-57-00	1.19	2,768,423	81,879
646-240-58-00	1.19	1,929,949	81,879
646-240-59-00	2.20	2,638,110	151,374
646-240-60-00	2.20	2,769,726	151,374
646-240-61-00	1.06	1,753,700	72,935
646-240-62-00	1.06	1,535,888	72,935
646-240-63-00	1.78	2,845,615	122,475
646-240-67-00	2.20	3,244,892	150,726
646-240-68-00	0.87	1,425,330	59,605
646-240-69-00	0.92	1,355,000	63,031
646-240-70-00	1.46	1,852,712	100,027
646-240-77-00	10.02	16,633,484	659,853
646-240-78-00	9.31	14,856,705	613,097
	<u>59.60</u>	<u>\$ 84,548,794</u>	<u>\$ 4,036,034</u>

⁽¹⁾ All data reflects parcel/lot line reconfigurations subsequent to issuance of the Official Statement.

⁽²⁾ Fiscal Year 2010/11 Assessed Value includes land value and improvement value as of January 1, 2010 provided by the San Diego County Assessor.

⁽³⁾ Remaining Assessment Amount is net of \$93,172, which was billed in Fiscal Year 2010-2011.