

**Administration Report
Fiscal Year 2010/2011**

Poway Unified School District
Improvement Area C of
Community Facilities District No. 10

June 21, 2010

Prepared For:

Poway Unified School District
13626 Twin Peaks Road
Poway, CA 92064
T 858.748.0010

Prepared By:

Dolinka Group, LLC
20 Pacifica, Suite 900
Irvine, CA 92618
T 949.250.8300
F 949.250.8301

Table of Contents

| Section | Page |
|---|-------------|
| Introduction ----- | 1 |
| I. Fiscal Year 2009/2010 Levy Summary ----- | 3 |
| A. Special Tax Levy ----- | 3 |
| B. Special Tax Delinquencies----- | 3 |
| II. Financial Activity ----- | 4 |
| A. Sources of Funds----- | 4 |
| B. Uses of Funds----- | 4 |
| C. Fund and Account Balances----- | 5 |
| III. Senate Bill 165 Compliance ----- | 6 |
| A. Authorized Facilities ----- | 6 |
| B. Bond Proceeds----- | 8 |
| C. Construction/Acquisition Accounts----- | 9 |
| D. Special Tax Fund----- | 10 |
| IV. Minimum Annual Special Tax Requirement ----- | 11 |
| V. Development Summary ----- | 12 |
| VI. Fiscal Year 2010/2011 Levy Summary ----- | 13 |

Exhibits

Exhibit A: First Amended Rate and Method of Apportionment

Exhibit B: Summary of Transactions for Funds and Accounts

Exhibit C: Annual Special Tax Roll for Fiscal Year 2010/2011

Introduction

This Administration Report ("Report") provides an analysis of the financial and administrative obligations of Improvement Area ("IA") C of Community Facilities District ("CFD") No. 10 of the Poway Unified School District ("School District"), pursuant to the First Amended Rate and Method of Apportionment ("RMA") attached as Exhibit A, for the purpose of calculating the Annual Special Tax levy for Fiscal Year 2010/2011. In calculating the Annual Special Tax levy for Fiscal Year 2010/2011, the Report describes (i) the remaining financial obligations of IA C of CFD No. 10 for Fiscal Year 2009/2010, (ii) the financial obligations of IA C of CFD No. 10 for Fiscal Year 2010/2011, and (iii) the amount of new development which has occurred within the boundaries of IA C of CFD No. 10.

The Report is organized into the following sections:

Section I

Section I provides a description of the Annual Special Tax levy for Fiscal Year 2009/2010 including any delinquent Annual Special Taxes.

Section II

On October 16, 2003 Improvement Area C 2003 Special Tax Bonds ("Bonds") were issued by IA C of CFD No. 10 in the amount of \$3,000,000. The Bonds were issued for the purpose of financing the Authorized Facilities of IA C of CFD No. 10, pursuant to the Resolution of Intention ("ROI") and are secured by and repaid from the annual levy of Special Taxes within IA C of CFD No. 10. Section II examines the financial activity within the various funds and accounts established pursuant to the Bond Indenture ("Indenture") dated September 1, 2003 by and between IA C of CFD No. 10 and Zions First National Bank, NA ("Fiscal Agent") from July 1, 2008 to April 30, 2009. A summary is provided which lists all disbursements, Annual Special Tax receipts, and interest earnings.

Section III

Section III contains a description of (i) the initial allocation of Bond proceeds and (ii) the expenditure of Special Taxes and Bond proceeds to fund authorized facilities of IA C of CFD No. 10 through April 30, 2010, as directed by Senate Bill 165 ("SB 165").

Section IV

Section IV calculates the Minimum Annual Special Tax Requirement based on the financial obligations of IA C of CFD No. 10 for Fiscal Year 2010/2011.

Section V

Section V provides (i) a description of the Special Tax classifications and (ii) an update of the development which has occurred in IA C of CFD No. 10.

Section VI

Section VI describes the methodology used to apportion the Minimum Annual Special Tax Requirement among the properties within IA C of CFD No. 10 and lists the Assigned Annual Special Tax rates for Fiscal Year 2010/2011.

I. Fiscal Year 2009/2010 Levy Summary

A. Special Tax Levy

The aggregate Annual Special Tax levy of IA C of CFD No. 10 in Fiscal Year 2009/2010 as well as a summary of the levy can be found in the table below.

Annual Special Tax Rates For Fiscal Year 2009/2010

| Property Classification | Tax Class | Building Square Footage | Number of Units/Acres | Assigned Annual Special Tax Rate | Total Annual Special Taxes |
|-----------------------------|-----------|-------------------------|-----------------------|----------------------------------|----------------------------|
| Zone 1 | | | | | |
| Developed | 1 | ≤ 1,150 | 28 Units | \$1,409.20 per Unit | \$39,457.60 |
| Developed | 2 | 1,151 – 1,400 | 28 Units | \$1,598.66 per Unit | \$44,762.48 |
| Developed | 3 | > 1,400 | 28 Units | \$1,733.98 per Unit | \$48,551.44 |
| <i>Developed Property</i> | | | <i>84 Units</i> | <i>NA</i> | <i>\$132,771.52</i> |
| <i>Undeveloped Property</i> | | | <i>0.00 Acres</i> | <i>\$0.00</i> | <i>\$0.00</i> |
| <i>Zone 1 Subtotal</i> | | | | | <i>\$132,771.52</i> |
| Zone 2 | | | | | |
| Developed | 4 | ≤ 1,850 | 26 Units | \$1,122.60 per Unit | \$29,187.60 |
| Developed | 5 | 1,851 – 2,000 | 25 Units | \$1,257.94 per Unit | \$31,448.50 |
| Developed | 6 | 2,001 – 2,250 | 27 Units | \$1,393.26 per Unit | \$37,618.02 |
| Developed | 7 | > 2,250 | 29 Units | \$1,483.50 per Unit | \$43,021.50 |
| <i>Developed Property</i> | | | <i>107 Units</i> | <i>NA</i> | <i>\$141,275.62</i> |
| <i>Undeveloped Property</i> | | | <i>0.00 Acres</i> | <i>\$0.00 per Unit</i> | <i>\$0.00</i> |
| <i>Zone 2 Subtotal</i> | | | | | <i>\$141,275.62</i> |
| Total | | | | | \$274,047.14 |

B. Special Tax Delinquencies

Dolinka Group, LLC has received delinquency information for IA C of CFD No. 10 for the first and second installments of Fiscal Year 2009/2010 from the County of San Diego ("County"). For Fiscal Year 2009/2010 (as of April 30, 2010), \$13,431.84 in Annual Special Taxes were delinquent yielding a delinquency rate of 4.90%.

II. Financial Activity

This section summarizes the activity within the various funds and accounts created by the Indenture. For a more detailed description of the various funds and accounts, please see Section 3.01 of the Indenture. A detailed analysis of all transactions within these funds and accounts for this period is included as Exhibit B.

A. Sources of Funds

Sources of funds for IA C of CFD No. 10 for the period of July 1, 2009 to April 30, 2010 are summarized in the table below.

Sources of Funds
July 1, 2009 – April 30, 2010

| Sources | Amount |
|------------------------------------|---------------------|
| Bond Proceeds | \$0.00 |
| Special Tax Receipts | \$186,322.57 |
| Investment Earnings ^[1] | \$163.75 |
| Miscellaneous | \$0.00 |
| Total | \$186,381.22 |

[1] Data summarized in the table below.

Investment Earnings
July 1, 2009 – April 30, 2010

| Funds and Accounts | Amount |
|-----------------------------|-----------------|
| Administrative Expense Fund | \$5.07 |
| Interest Account | \$0.29 |
| Principal Account | \$0.00 |
| Reserve Fund | \$41.42 |
| School Facilities Fund | \$58.32 |
| Special Tax Fund | \$58.65 |
| Total | \$163.75 |

B. Uses of Funds

Uses of funds for IA C of CFD No. 10 for the period of July 1, 2009 to April 30, 2010 are summarized in the table below.

Uses of Funds
July 1, 2009 – April 30, 2010

| Funds and Accounts | Amount |
|-----------------------------------|---------------------|
| Interest Payments | \$162,067.50 |
| Principal Payments | \$20,000.00 |
| Acquisition/Construction Payments | \$195,336.39 |
| Administrative Expenses | \$24,352.76 |
| Total | \$401,756.65 |

C. Fund and Account Balances

The balances as of April 30, 2010 in the funds and accounts established pursuant to the Indenture are shown in the table below.

**Fund and Account Balances
As of April 30, 2010**

| Funds and Accounts | Amount |
|-----------------------------|-----------------------|
| Administrative Expense Fund | \$28,544.36 |
| Interest Account | \$0.00 |
| Principal Account | \$0.00 |
| Reserve Fund | \$296,102.51 |
| School Facilities Fund | \$347,106.78 |
| Special Tax Fund | \$419,810.97 |
| Total | \$1,091,564.62 |

III. Senate Bill 165 Compliance

The Board of Education ("Board") of the School District, pursuant to the provisions of the Local Agency Special Tax and Bond Accountability Act ("Accountability Act"), has directed the filing of the Special Tax and Bond Accountability Report for IA C of CFD No. 10. According to SB 165, any local special tax and/or bond measure subject to voter approval on or after January 1, 2001, must follow the requirements of the Accountability Act. All capitalized terms herein are used as defined in the RMA of IA C of CFD No. 10.

A. Authorized Facilities

Pursuant to the Mello Roos Community Facilities Act of 1982, as Amended ("Act"), IA C of CFD No. 10 can only be used to fund the "Authorized Facilities" as outlined at the time of formation. The following is an excerpt taken from the ROI to establish CFD No. 10 which describes the Authorized Facilities.

The types of collective Facilities proposed to be financed by Community Facilities District No. 10 (the "CFD") of the Poway Unified School District (the "District") under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") are as follows.

"School Facilities" means the acquisition, planning, construction and/or financing of those school facilities, including classrooms, multi-purpose, administration and auxiliary space at each school, central support and administrative facilities, interim housing, transportation and special education facilities, together with furniture, equipment and technology, needed by District in order to serve directly or indirectly the student population to be generated as a result of the development of the property within CFD No. 10, together with all land or interests in land required for the construction of such facilities and all land or interests in land required to be provided by the District as mitigation of environmental impacts associated with the development of such school facilities as well as all that portion of the related incidental expenses and the costs to the District related to the negotiation, execution and implementation of the Torrey Highlands – Subarea IV School Impact Mitigation Agreement dated as of July 1, 1996 (the "Mitigation Agreement") between the District and each "Owner" named therein allocable to the properties within CFD No. 10. "School Facilities" shall also mean the acquisition, planning, construction and/or financing of other additional school facilities ("Supplemental School Facilities"), including classrooms, multi-purpose, administration and auxiliary space at each school, central support and administrative facilities, interim housing, transportation and special education facilities, together with furniture, equipment and technology, needed by District to serve the student population of the District and which are financed in whole or in part from the revenues of special taxes levied in any fiscal year on Developed property within any Improvement Area or Improvement Areas in excess of that required to satisfy the special tax requirements for such Improvement Area or Improvement Areas for such fiscal year.

The School Facilities shall also include the attributable costs of engineering, design, planning, materials testing, coordination, construction staking and construction, together with the expenses related to the issuance and sale of any "debt" as defined in Section 53317(d) of the Act, including but not limited to, underwriters' discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, bond and official statement printing, administrative expenses of the District, CFD No. 10 and bond trustee or fiscal agent related to CFD no. 10 and any such debt and all other incidental expenses.

The School Facilities shall be constructed, whether or not acquired in their completed states, pursuant to plans and specifications approved by the District.

The School Facilities listed in this Exhibit A-1 are representative of the types of improvements authorized to be financed by CFD No. 10. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of the District. Addition, deletion, or modification of descriptions of School Facilities may be made consistent with the requirements of the Board of Education of the District, the CFD and the Act.

"City Improvements" means the acquisition, planning, construction and/or financing of those improvements to be owned by the City of San Diego (the "City"), including (a) Camino Ruiz Northerly (grading 4 lanes, construction 2 lanes) from "A" Street to Carmel Valley Road, (b) Camino Ruiz Northerly (completion of full length, 4 lane improvements), (c) "B" Street from "A" Street to Camino Ruiz, (d) "A" Street and (e) Camino Ruiz/SR 56 Phase I interchange improvements.

The City Improvements shall also include the attributable costs of right of way acquisition, grading and site preparation, slope and erosion control, sanitary sewers, storm drainage, water distribution facilities, traffic signals, street lighting, street paving, curb, gutter, sidewalk, media, landscaping, dry utilities, engineering, design, planning, materials testing, coordination, construction staking and construction, construction management and supervision together with the expenses related to the issuance and sale of any "debt" as defined in Section 53317(d) of the Act, including but not limited to, underwriters' discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, bond and official statement printing, administrative expenses of the District, CFD No. 10 and bond trustee or fiscal agent related to any Improvement Area in CFD No. 10 and any such debt and all other incidental expenses.

The City Improvements shall be constructed, whether or not acquired in their completed states, pursuant to plans and specification approved by the City.

The City Improvements listed in this Exhibit A-2 are representative of the types of improvement that are to be owned, operated and maintained by the City and to be financed by CFD No. 10. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of the City. Addition, deletion, or modification of descriptions of City Improvements may be made consistent with the requirements of the City subject to the approval by the Board of Education of the District, CFD No. 10 and the Act.

B. Bond Proceeds

In accordance with the Indenture by and between the School District and the Fiscal Agent, the proceeds of the Bonds were deposited into the funds and accounts shown in the table below.

Initial Deposit of Bond Proceeds

| Funds, Accounts Subaccounts | Initial Deposit |
|--|------------------------|
| Special Tax Fund | \$0.00 |
| Bond Service Fund | \$0.00 |
| Interest Account of the Bond Service Fund | \$0.00 |
| Capitalized Interest Subaccount of the Interest Account ^[1] | \$143,108.44 |
| Principal Account of the Bond Fund | \$0.00 |
| Costs of Issuance Fund ^[2] | \$250,000.00 |
| Improvement Fund | \$0.00 |
| School Facilities Account of the Improvement Fund | \$510,495.18 |
| City Facilities Account of the Improvement Fund | \$1,800,000.00 |
| Reserve Fund | \$281,396.38 |
| Rebate Fund | \$0.00 |
| Administrative Expense Fund | \$15,000.00 |
| Redemption Fund | \$0.00 |
| Letter of Credit Fund | \$0.00 |
| Total | \$3,000,000.00 |
| [1] Bond proceeds deposited into Capitalized Interest Subaccount to cover the Interest through September 2004. | |
| [2] This amount includes the Underwriter's discount of \$90,000.00. The actual amount deposited in the Costs of Issuance Account was \$160,000.00. | |

C. Construction/Acquisition Accounts

The table below shows the accruals and expenditures in the construction/acquisition accounts of IA C of CFD No. 10 through April 30, 2010.

| School Facilities Account School Facilities Account | | |
|--|---------------------|-----------------------|
| Balance as of October 16, 2003 | | \$510,495.18 |
| Previously Accrued | \$82,794.90 | |
| Previously Expended | (\$1,065.44) | |
| Balance as of May 1, 2009 | | \$592,224.64 |
| Accruals | | \$218.53 |
| Interest Earnings | \$218.53 | |
| Expenditures | | (\$245,336.39) |
| Elementary School Facilities | (\$71,959.22) | |
| High School Facilities | (\$23,377.17) | |
| Central Administrative & Support Facilities | (\$150,000.00) | |
| Balance as of April 30, 2010 | | \$347,106.78 |

As of April 30, 2009, the City Improvement Subaccount of the Improvement Fund has been closed and all funds have been expended. Since all funds have been expended, the City Improvement Subaccount will not appear in future years for IA C of CFD No. 10. For an account of accruals and expenditures within this account, refer to the Administration Report for IA C of CFD No. 10 for Fiscal Year 2009/2010.

D. Special Tax Fund

Each Fiscal Year, IA C of CFD No. 10 will levy, collect, and expend Annual Special Taxes in an amount necessary to pay interest and principal to bondholders, cover Administrative Expenses, and fund school facilities necessary to serve students generated from residential units constructed within the boundaries of IA C of CFD No. 10. The table below presents a detailed listing of the Annual Special Taxes collected and expended by IA C of CFD No. 10 from October 16, 2003 through April 30, 2010.

Special Tax Fund

| | | |
|---|-----------------------|-----------------------|
| Balance as of October 16, 2003 | | \$0.00 |
| Previously Accrued | \$1,209,086.46 | |
| Previously Expended | (\$873,235.99) | |
| Fund Balance as of May 1, 2009 | | \$335,850.47 |
| Accruals | | \$284,249.67 |
| Special Tax Receipts | \$284,093.02 | |
| Interest Earnings | \$156.65 | |
| Expenditures | | (\$200,289.17) |
| Transfer to Administrative Expense Fund | (\$17,230.29) | |
| Transfer to Interest Account | (\$158,605.18) | |
| Transfer to Principal Account | (\$20,000.00) | |
| Transfer to Reserve Fund | (\$4,453.70) | |
| Balance as of April 30, 2010 | | \$419,810.97 |

IV. Minimum Annual Special Tax Requirement

For Fiscal Year 2010/2011, the Minimum Annual Special Tax Requirement for IA C of CFD No. 10, as calculated pursuant to the RMA, can be found in the table below.

Minimum Annual Special Tax Requirement For Fiscal Year 2010/2011

| | | |
|--|--------------|---------------------|
| FY 2010/2011 Current and Projected Funds | | \$511,173.40 |
| Balance of the Special Tax Fund (as of April 30, 2009) | \$419,810.97 | |
| Projected Special Tax Receipts | \$91,362.43 | |
| FY 2010/2011 Remaining Obligations | | \$511,173.40 |
| Interest Payment Due September 1, 2009 | \$80,866.25 | |
| Principal Payment Due September 1, 2009 | \$25,000.00 | |
| Transfer for Administrative Expenses | \$25,000.00 | |
| Transfer for Direct Construction | \$250,000.00 | |
| Transfer for 2007 Lease Revenue Bond Pledge | \$113,134.66 | |
| Direct Construction/Additional Administrative Expense Budget | \$17,172.49 | |
| FY 2010/2011 Surplus/(Draw on Reserve) | | \$0.00 |
| FY 2010/2011 Obligations | | \$279,527.42 |
| Interest Payment Due March 1, 2010 | \$80,397.50 | |
| Interest Payment Due September 1, 2010 | \$80,397.50 | |
| Principal Payment Due September 1, 2010 | \$30,000.00 | |
| Administrative Expense Budget for Fiscal Year 2010/2011 | \$17,574.89 | |
| Anticipated Special Tax Delinquencies (7.50%) | \$20,964.56 | |
| 2007 Lease Revenue Bond Pledge | \$50,192.97 | |
| Minimum Annual Special Tax Requirement | | \$279,527.42 |

V. Development Summary

Each Fiscal Year, the School District calculates the Annual Special Taxes to be levied against Taxable Property within IA C of CFD No. 10. Taxable Property is classified based on the issuance of a Building Permit. Specifically, Developed Property means, for any Fiscal Year, all Assessor's Parcels in IA C of CFD No. 10 for which a Building Permit has been issued as of May 1 of the previous Fiscal Year, provided that the Assessor's Parcel was created prior to January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot. The table below summarizes the Special Tax classification within IA C of CFD No. 10 for the previous Fiscal Year and Fiscal Year 2010/2011.

Special Tax Classification

| Property Classification | Tax Class | Building Square Footage | Previous Fiscal Year | Fiscal Year 2010/2011 |
|-----------------------------|-----------|-------------------------|----------------------|-----------------------|
| Zone 1 | | | | |
| Developed | 1 | ≤ 1,150 | 28 Units | 28 Units |
| Developed | 2 | 1,151 – 1,400 | 28 Units | 28 Units |
| Developed | 3 | > 1,400 | 28 Units | 28 Units |
| <i>Developed Property</i> | | | <i>84 Units</i> | <i>84 Units</i> |
| <i>Undeveloped Property</i> | | | <i>0.00 Acres</i> | <i>0.00 Acres</i> |
| Zone 2 | | | | |
| Developed | 4 | ≤ 1,850 | 26 Units | 26 Units |
| Developed | 5 | 1,851 – 2,000 | 25 Units | 25 Units |
| Developed | 6 | 2,001 – 2,250 | 27 Units | 27 Units |
| Developed | 7 | > 2,250 | 29 Units | 29 Units |
| <i>Developed Property</i> | | | <i>107 Units</i> | <i>107 Units</i> |
| <i>Undeveloped Property</i> | | | <i>0.00 Acres</i> | <i>0.00 Acres</i> |
| Total | | | 191 Units | 191 Units |

VI. Fiscal Year 2010/2011 Levy Summary

The Special Tax rates of IA C of CFD No. 10 needed to meet the Minimum Annual Special Tax Requirement for Fiscal Year 2010/2011 are shown in the table below. The Special Tax roll, which lists the actual Special Tax levied against each Assessor's Parcel, is included as Exhibit C. For a more detailed explanation of the methodology used to apportion the Minimum Annual Special Tax Requirement among Developed Property and Undeveloped Property, please see the RMA.

Annual Special Tax Rates For Fiscal Year 2010/2011

| Property Classification | Tax Class | Building Square Footage | Number of Units/Acres | Assigned Annual Special Tax Rate | Total Annual Special Taxes |
|-----------------------------|-----------|-------------------------|-----------------------|----------------------------------|----------------------------|
| Zone 1 | | | | | |
| Developed | 1 | ≤ 1,150 | 28 Units | \$1,437.38 per Unit | \$40,246.64 |
| Developed | 2 | 1,151 – 1,400 | 28 Units | \$1,630.62 per Unit | \$45,657.36 |
| Developed | 3 | > 1,400 | 28 Units | \$1,768.66 per Unit | \$49,522.48 |
| <i>Developed Property</i> | | | <i>84 Units</i> | <i>NA</i> | <i>\$135,426.48</i> |
| <i>Undeveloped Property</i> | | | <i>0.00 Acres</i> | <i>\$0.00</i> | <i>\$0.00</i> |
| <i>Zone 1 Subtotal</i> | | | | | <i>\$135,426.48</i> |
| Zone 2 | | | | | |
| Developed | 4 | ≤ 1,850 | 26 Units | \$1,145.06 per Unit | \$29,771.56 |
| Developed | 5 | 1,851 – 2,000 | 25 Units | \$1,283.10 per Unit | \$32,077.50 |
| Developed | 6 | 2,001 – 2,250 | 27 Units | \$1,421.12 per Unit | \$38,370.24 |
| Developed | 7 | > 2,250 | 29 Units | \$1,513.16 per Unit | \$43,881.64 |
| <i>Developed Property</i> | | | <i>107 Units</i> | <i>NA</i> | <i>\$144,100.94</i> |
| <i>Undeveloped Property</i> | | | <i>0.00 Acres</i> | <i>\$0.00 per Unit</i> | <i>\$0.00</i> |
| <i>Zone 2 Subtotal</i> | | | | | <i>\$144,100.94</i> |
| Total | | | | | \$279,527.42 |

S:\Clients\Poway Unified SD\ADM\CFDs\CFD No. 10 Improvement Area C\FY1011\Reports\Annual_SB165 Report\AdmRpt_09600-1316_FN.docx

Exhibit A

First Amended Rate and Method of Apportionment

**FIRST AMENDED
RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT NO. 10
OF THE POWAY UNIFIED SCHOOL DISTRICT
(IMPROVEMENT AREA C)**

An Annual Special Tax shall be levied on and collected in Improvement Area C ("IA C") of Community Facilities District No. 10 ("CFD No. 10") of the Poway Unified School District ("School District") in each Fiscal Year, in an amount determined through the application of the rate and method of apportionment described below. All of the real property in IA C of CFD No. 10, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
DEFINITIONS**

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982 as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any ordinary and necessary expenses of the School District to carry out its duties as the legislative body of IA C of CFD No. 10.

"Affordable Unit" means any Unit subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City or County providing for affordable housing.

"Annual Special Tax" means the Special Tax levied in each Fiscal Year on an Assessor's Parcel as set forth in Section F. In each Fiscal Year Annual Special Tax revenues shall be used in the following order of priority: (i) to satisfy the Minimum Annual Special Tax Requirement and (ii) to pay for the acquisition, construction, rehabilitation, and improvement of School Facilities.

"Assessor's Parcel" means a lot or parcel of land in IA C of CFD No. 10 which is designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County Assessor for purposes of identification.

"Assigned Annual Special Tax" means the Special Tax of that name as set forth in Section D.

"Associate Superintendent" means the Associate Superintendent of Business Support Services of the School District or his/her designee.

"Attached Unit" means a Unit that (i) consists or shall consist of a building or buildings in which each of the individual Units has at least one common wall with another Unit and (ii) is not an Affordable Unit or a Senior Citizen Unit.

"Backup Annual Special Tax" means the Special Tax of that name described in Section E below.

"Board" means the Board of Education of the School District or its designee.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to the repayment of which Special Taxes of IA C of CFD No. 10 are pledged.

"Building Permit" means a permit for the construction of one or more Units issued by the City, or another public agency in the event the City no longer issues said permits for the construction of Units within IA C of CFD No. 10. For purposes of this definition, "Building Permit" shall not include permits for construction or installation on commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

"Building Square Footage" or "BSF" means the square footage of internal living space of a Unit, exclusive of garages or other structures not used as living space, as determined by reference to the building permit application for such Unit or other applicable records of the City.

"Calendar Year" means any period beginning January 1 and ending December 31.

"City" means the City of San Diego.

"County" means the County of San Diego.

"Detached Unit" means a Unit which is not an Attached Unit, an Affordable Unit, or a Senior Citizen Unit.

"Developed Property" means all Assessor's Parcels for which Building Permits for the construction of Units were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as determined reasonably by the Associate Superintendent.

"Exempt Property" means the property designated as Exempt Property in Section J.

"Final Subdivision Map" means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates building sites, recorded in the County Office of the Recorder.

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Gross Floor Area" or "GFA" means the covered and enclosed space within the perimeters of a commercial or industrial structure, not including any storage area incidental to the principal use of the development, garage, parking structure, unenclosed walkway, or utility or disposable area, as

used in Section 65995 of the Government Code.

"Gross Prepayment Amount" means any amount determined by reference to Table 3 and adjusted as set forth in Section G.

"Lot" means an individual legal lot created by a Final Subdivision Map for which a building permit for a Unit has been or could be issued, provided that land for which one or more building permits have been or could be issued for the construction of one or more model Units shall not be construed as a Lot until such land has been subdivided by a Final Subdivision Map.

"Maximum Special Tax" means, the Maximum Special Tax determined in accordance with Section C that can be levied by IAC of CFD No. 10 in any Fiscal Year on any Assessor's Parcel.

"Minimum Annual Special Tax Requirement" means the amount required in any Fiscal Year to pay: (i) the debt service on the Bonds or other indebtedness or other periodic costs on the Bonds, (ii) the Administrative Expenses of IA C of CFD No. 10, (iii) any costs associated with the release of funds from an escrow account, (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, less (v) any amounts on deposit in any fund or account which are available to pay for items (i) through (iv) above pursuant to any applicable fiscal agent agreement, bond indenture, or trust agreement.

"Minimum Taxable Acreage" means, for any Zone, the applicable acreage listed in Table 4 below.

"Partial Prepayment Amount" means the dollar amount required to prepay a portion of the Annual Special Tax obligation on any Assessor's Parcel, determined pursuant to Section H.

"Prepayment Amount" means the dollar amount required to prepay all of the Annual Special Tax obligation on any Assessor's Parcel, determined pursuant to Sections G.

"Proportionately" means that the ratio of the actual Annual Special Tax levy to the applicable Special Tax is equal for all applicable Assessor's Parcels.

"School Facilities" means any public facilities owned or to be owned by the School District.

"Senior Citizen Unit" means a Unit designated as senior citizen housing, part of a residential care facility for the elderly, or part of a multi-level care facility for the elderly as referred to in California Government Code Section 65995.1. For purposes hereof, it shall be sufficient to designate a Unit as a Senior Citizen Unit if Senior Citizen Restrictions have been effected with respect to such Unit.

"Senior Citizen Restriction" means (i) a restriction limiting the use of Units to senior citizen housing under a specific plan, a final map or other governmental entitlements, or a declaration of covenants, conditions and restrictions or any similar recorded instrument or (ii) licensing from appropriate agencies received for residential care facilities for the elderly or multi-level care facilities as those terms are defined in Health and Safety Code Section 1569.2 and Government Code Section 15432(d)(9), respectively.

"Special Tax" means any of the special taxes authorized to be levied in IA C of CFD No. 10 under the Act.

"Taxable Developed Property" means all Assessor's Parcels of Developed Property which are not Exempt Property.

"Taxable Property" means all Assessor's Parcels which are not Exempt Property.

"Taxable Undeveloped Property" means all Assessor's Parcels of Undeveloped Property which are not Exempt Property.

"Undeveloped Property" means all Assessor's Parcels which are not Developed Property.

"Unit" means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units. Each Unit shall be classified as an Affordable Unit, an Attached Unit, a Detached Unit, or a Senior Citizen Unit.

"Zone" means any of the areas identified as a Zone in Exhibit A to this Rate and Method of Apportionment.

"Zone 1" means all property located within the area identified as Zone 1 in Exhibit A to this Rate and Method of Apportionment.

"Zone 2" means all property located within the area identified as Zone 2 in Exhibit A to this Rate and Method of Apportionment.

SECTION B ASSIGNMENT OF ASSESSOR'S PARCELS

For each Fiscal Year, beginning with Fiscal Year 2002-03, (i) each Assessor's Parcel shall be classified as Developed Property or Undeveloped Property; (ii) each Assessor's Parcel of Developed Property shall be classified as Taxable Developed Property or Exempt Property; (iii) each Assessor's Parcel of Undeveloped Property shall be classified as Taxable Undeveloped Property or Exempt Property; and (iv) each Assessor's Parcel shall be assigned to a Zone in accordance with Exhibit A.

SECTION C MAXIMUM SPECIAL TAX

1. Taxable Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Taxable Developed Property in any Fiscal Year shall be the greater of (i) the Assigned Annual Special Tax or (ii) the Backup Annual Special Tax.

2. Taxable Undeveloped Property

The Maximum Special Tax for any Assessor's Parcel classified as Taxable Undeveloped Property in any Fiscal Year shall be the Assigned Annual Special Tax.

**SECTION D
ASSIGNED ANNUAL SPECIAL TAXES**

1. Taxable Developed Property

The Assigned Annual Special Tax for each Assessor's Parcel of Taxable Developed Property in Fiscal Year 2002-03 shall be the amount determined by reference to Table 1 below. No Assigned Annual Special Tax shall apply to Affordable Units or Senior Citizen Units.

TABLE 1

**ASSIGNED ANNUAL SPECIAL TAX FOR
TAXABLE DEVELOPED PROPERTY FOR FISCAL YEAR 2002-03**

| Zone | Building Square Feet | Assigned Annual Special Tax ¹ |
|------|----------------------|--|
| 1 | ≤ 1,150 | \$1,226.79 per Detached/Attached Unit |
| 1 | 1,151 – 1,400 | \$1,391.73 per Detached/Attached Unit |
| 1 | > 1,400 | \$1,509.55 per Detached/Attached Unit |
| 2 | ≤ 1,850 | \$977.29 per Detached/Attached Unit |
| 2 | 1,851 – 2,000 | \$1,095.11 per Detached/Attached Unit |
| 2 | 2,001 – 2,250 | \$1,212.92 per Detached/Attached Unit |
| 2 | > 2,250 | \$1,291.47 per Detached/Attached Unit |

¹ No Assigned Annual Special Tax shall apply to Affordable Units or Senior Citizen Units.

Each July 1, commencing July 1, 2003, the Assigned Annual Special Tax for each Assessor's Parcel of Taxable Developed Property shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

2. Taxable Undeveloped Property

The Assigned Annual Special Tax for an Assessor's Parcel of Taxable Undeveloped Property in Fiscal Year 2002-03 shall be the amount determined by reference to Table 2.

TABLE 2

**ASSIGNED ANNUAL SPECIAL TAX FOR
TAXABLE UNDEVELOPED PROPERTY FOR FISCAL YEAR 2002-03**

| Zone | Assigned Annual Special Tax |
|--------|-----------------------------|
| Zone 1 | \$27,919.34 per Acre |
| Zone 2 | \$15,463.99 per Acre |

On each July 1, commencing July 1, 2003, the Assigned Annual Special Tax per Acre for each Zone shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

SECTION E BACKUP ANNUAL SPECIAL TAX

Each Fiscal Year, each Assessor's Parcel of Taxable Developed Property shall be subject to a Backup Annual Special Tax. In each Fiscal Year, the Backup Annual Special Tax rate for Taxable Developed Property shall be the rate per Lot calculated according to the following formula:

$$B = (Z * A) / L$$

The terms above have the following meanings:

| | | |
|---|---|--|
| B | = | Backup Annual Special Tax per Lot for the applicable Fiscal Year |
| Z | = | Assigned Annual Special Tax per Acre of Taxable Undeveloped Property for the applicable Zone for the applicable Fiscal Year |
| A | = | Acreage of Taxable Developed Property expected to exist in the applicable Final Subdivision Map at buildout, as determined by the Associate Superintendent pursuant to Section J |
| L | = | Lots in the Final Subdivision Map |

Notwithstanding the foregoing, if all or any portion of the Final Subdivision Map(s) described in the preceding paragraph is subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property in such Final Subdivision Map area changed or modified shall be a rate per square foot of Acreage calculated as follows:

1. Determine the total Backup Annual Special Taxes anticipated to apply to the changed or modified Final Subdivision Map area prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Taxable Property which is ultimately expected to exist in such changed or modified Final Subdivision Map area, as reasonably determined by the Board.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property in such changed or modified Final Subdivision Map area for all remaining Fiscal Years in which the Special Tax may be levied.

SECTION F
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX

Commencing Fiscal Year 2002-03 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

- Step One: The Board shall levy an Annual Special Tax on each Assessor's Parcel of Taxable Developed Property in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Undeveloped Property, up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel, to satisfy the Minimum Annual Special Tax Requirement.
- Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Developed Property, up to the Maximum Special Tax applicable to each such Assessor's Parcel, to satisfy the Minimum Annual Special Tax Requirement.

SECTION G
PREPAYMENT OF ANNUAL SPECIAL TAX

The Annual Special Tax obligation of an Assessor's Parcel of Taxable Developed Property or an Assessor's Parcel of Taxable Undeveloped Property for which a Building Permit has been issued may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

1. Prior to Issuance of Bonds

Prior to the issuance of Bonds, the Prepayment Amount for each Assessor's Parcel of Developed Property and each Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued shall be the amount equal to the Gross Prepayment Amount. The Gross Prepayment Amount for the period May 1, 2002 to April 30, 2003 shall be the amount determined by reference to Table 3.

TABLE 3

**GROSS PREPAYMENT AMOUNT FOR
MAY 1, 2002 TO APRIL 30, 2003**

| Zone | Building Square Feet | Gross Prepayment Amount ¹ |
|-------------|-----------------------------|---|
| 1 | ≤ 1,150 | \$12,971.17 per Detached/Attached Unit |
| 1 | 1,151 – 1,400 | \$14,715.14 per Detached/Attached Unit |
| 1 | > 1,400 | \$15,960.84 per Detached/Attached Unit |
| 2 | ≤ 1,850 | \$10,333.15 per Detached/Attached Unit |
| 2 | 1,851 – 2,000 | \$11,578.85 per Detached/Attached Unit |
| 2 | 2,001 – 2,250 | \$12,824.55 per Detached/Attached Unit |
| 2 | > 2,250 | \$13,655.01 per Detached/Attached Unit |

¹ No Assigned Annual Special Tax shall apply to Affordable Units or Senior Citizen Units.

On each May 1, commencing May 1, 2003, the Gross Prepayment Amount for each Unit shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year, provided that the Gross Prepayment Amount applicable to a Unit shall not increase after the issuance of the Building Permit for such Unit.

2. Subsequent to Issuance of Bonds

Subsequent to the issuance of Bonds, the Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

| | |
|--------|----------------------------|
| | Bond Redemption Amount |
| plus | Redemption Premium |
| plus | Defeasance |
| plus | Administrative Fee |
| less | <u>Reserve Fund Credit</u> |
| equals | Prepayment Amount |

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For each Assessor's Parcel of Taxable Developed Property, compute the Assigned Annual Special Tax and the Backup Annual Special Tax. For each Assessor's Parcel of Taxable Undeveloped Property, compute the Assigned Annual Special Tax and the Backup Annual Special Tax applicable to the Assessor's Parcel as though it was already designated as Taxable Developed Property, based upon the building permit issued for that Assessor's Parcel.

2. For each Annual Special Tax obligation to be prepaid, (a) divide the Assigned Annual Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the estimated Assigned Annual Special Tax applicable to all Assessor's Parcels of Taxable Developed Property at buildout, as reasonably determined by the Associate Superintendent, and (b) divide the Backup Annual Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the estimated Backup Annual Special Tax applicable to all Assessor's Parcels of Taxable Developed Property at buildout, as reasonably determined by the Associate Superintendent.
3. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the face value of all outstanding Bonds. The product is the "Bond Redemption Amount."
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
5. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 9) to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the outstanding Bonds.
6. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the outstanding Bonds.
7. Subtract the amount computed pursuant to paragraph 6 from the amount computed pursuant to paragraph 5. This difference is the "Defeasance."
8. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
9. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirements, if any, associated with the redemption of outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirements in effect after the redemption of outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.

10. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to an Annual Special Tax obligation that is prepaid pursuant to this Section G, the Associate Superintendent shall indicate in the records of IA C of CFD No. 10 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Annual Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Annual Special Tax that may be levied in IA C of CFD No. 10, net of an allocable portion of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year, as reasonably determined by the Associate Superintendent.

SECTION H PARTIAL PREPAYMENT OF SPECIAL TAX

Prior to the issuance of a Building Permit for the construction of a production Unit on a Lot within a Final Subdivision Map area, the owner of no less than the entire Final Subdivision Map area may elect to prepay any portion of the applicable Annual Special Tax obligations for all of the Assessor's Parcels within such Final Subdivision Map area. In order to prepay any portion of the applicable Annual Special Tax obligations, the residential Final Subdivision Map area must contain at least 25 Detached Units or 50 Attached Units. The partial prepayment of each Annual Special Tax obligation shall be collected at the issuance of each applicable Building Permit, provided that the Annual Special Tax obligations with respect to model Units for which Building Permits have already been issued must be partially prepaid at the time of the election. The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = P_G * F$$

These terms have the following meanings:

- PP = the Partial Prepayment Amount
- P_G = the Prepayment Amount calculated according to Section G
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation.

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the Associate Superintendent of (i) such owner's intent to partially prepay the Annual Special Tax obligation and (ii) the percentage by which the Annual Special Tax obligation shall be prepaid.

With respect to any Assessor's Parcel's Annual Special Tax obligation that is partially prepaid, the Associate Superintendent shall indicate in the records of IA C of CFD No. 10 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment, to indicate the partial prepayment of Annual Special Tax obligation and the partial release of the

Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax for the Assessor's Parcels has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Tax that may be levied in IA C of CFD No. 10, net of an allocable portion of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year, as reasonably determined by the Associate Superintendent.

SECTION I TERMINATION OF SPECIAL TAX

The Annual Special Tax shall be levied for a term of thirty-four (34) Fiscal Years after the issuance of Bonds by IA C of CFD No. 10, but in no event shall the Annual Special Tax be levied later than Fiscal Year 2045-46.

SECTION J EXEMPTIONS

The Associate Superintendent shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a homeowners' association, (iv) Assessor's Parcels with public or utility easements or other restrictions making impractical their utilization for other than the purposes set forth in the easement or the restriction, (v) Assessor's Parcels for which Building Permits were issued on or before May 1 of the prior Fiscal Year for the construction of Affordable Units and/or Senior Citizen Units exclusively, (vi) Assessor's Parcels for which Building Permits were issued on or before May 1 of the prior Fiscal Year for the construction of GFA and Assessor's Parcels which directly service such Assessor's Parcels, such as parking lots, as reasonably determined by the Associate Superintendent, and (vii) other types of Assessor's Parcels, at the reasonable discretion of the Associate Superintendent, provided that no such classification would reduce the Acreage of all Taxable Property in any Zone to less than the Minimum Taxable Acreage for such Zone. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property in a Zone to less than the Minimum Taxable Acreage for such Zone will continue to be classified as Taxable Developed Property or Taxable Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

TABLE 4

MINIMUM TAXABLE ACREAGE

| Zone | Minimum Taxable Acreage |
|-------------|--------------------------------|
| Zone 1 | 4.14 |
| Zone 2 | 7.94 |

**SECTION K
APPEALS**

Any property owner claiming that the amount or application of any Special Tax is not correct may file a written notice of appeal with the Associate Superintendent not later than twelve (12) months after having paid the Special Tax that is disputed. The Associate Superintendent shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the Associate Superintendent's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy or in other special cases, as determined by the Associate Superintendent), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

**SECTION L
MANNER OF COLLECTION**

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that IA C of CFD No. 10 may collect Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

Exhibit B

Summary of Transactions for Funds and Accounts

SOURCES AND USES OF FUNDS

Jul 1 2009 - Apr 30 2010

| Account Name | SOURCES | | | | USES | | | | | | | Transfer | Ending Balance |
|---|-----------------------|----------------------|---------------------|---------------------|---------------------|-----------------------|----------------------|------------------------------------|-----------------------------|---------------|-----------------------|----------------|-----------------------|
| | Beginning Balance | Special Tax Receipts | Investment Earnings | Miscellaneous | Total Sources | Interest Payments | Principal Payments | Acquisition/ Construction Payments | Legal/ Consulting/ Services | Miscellaneous | Total Uses | | |
| Administrative Expense Fund 7150828I | \$35,661.76 | \$0.00 | \$5.07 | \$0.00 | \$5.07 | \$0.00 | \$0.00 | \$0.00 | (\$24,352.76) | \$0.00 | (\$24,352.76) | \$17,230.29 | \$28,544.36 |
| Interest Account 7150828B | \$3,462.03 | \$0.00 | \$0.29 | \$0.00 | \$0.29 | (\$162,067.50) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$162,067.50) | \$158,605.18 | \$0.00 |
| Principal Account 7150828C | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$20,000.00) | \$0.00 | \$0.00 | \$0.00 | (\$20,000.00) | \$20,000.00 | \$0.00 |
| Reserve Fund 7150828D | \$291,607.39 | \$0.00 | \$41.42 | \$0.00 | \$41.42 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$4,453.70 | \$296,102.51 |
| School Facilities Fund 7150828E | \$442,384.85 | \$0.00 | \$58.32 | \$100,000.00 | \$100,058.32 | \$0.00 | \$0.00 | (\$195,336.39) | \$0.00 | \$0.00 | (\$195,336.39) | \$0.00 | \$347,106.78 |
| Special Tax Fund 7150828A | \$433,718.92 | \$186,322.57 | \$58.65 | \$0.00 | \$186,381.22 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$200,289.17) | \$419,810.97 |
| Total: | \$1,206,834.95 | \$186,322.57 | \$163.75 | \$100,000.00 | \$286,486.32 | (\$162,067.50) | (\$20,000.00) | (\$195,336.39) | (\$24,352.76) | \$0.00 | (\$401,756.65) | \$0.00 | \$1,091,564.62 |

Note: Miscellaneous Sources of funds in the amount of \$100,000.00 was deposited from Echo Pacific of Willow Grove repayment of retention per Poway memo 11/02/09.
 \$81,201.25 was paid in Interest from the Interest Account for the September debt service obligation.
 \$80,866.25 was paid in Interest from the Interest Account for the March debt service obligation.
 \$20,000.00 was paid in the Principal from the Principal Account for the September debt service obligation.
 \$17,230.29 in Special Taxes was transferred from the Special Tax Fund to the Administrative Expense Fund pursuant to Section 3.02 of the Indenture.
 \$1,876.02 was transferred from the Special Tax Fund to Reserve Fund to equal the reserve requirement per Sec 3.06 of the Bond Indenture.

SOURCES AND USES OF FUNDS

07/01/2009

| Account Name | SOURCES | | | | USES | | | | | | Transfer | Ending Balance | |
|---|-----------------------|----------------------|---------------------|---------------|-------------------|-------------------|--------------------|-------------------------------------|-----------------------------|---------------|----------------------|----------------|-----------------------|
| | Beginning Balance | Special Tax Receipts | Investment Earnings | Miscellaneous | Total Sources | Interest Payments | Principal Payments | Acquisition/ Construction/ Payments | Legal/ Consulting/ Services | Miscellaneous | | | Total Uses |
| Administrative Expense Fund 7150828I | \$35,661.76 | \$0.00 | \$1.99 | \$0.00 | \$1.99 | \$0.00 | \$0.00 | \$0.00 | (\$2,622.76) | \$0.00 | (\$2,622.76) | \$0.00 | \$33,040.99 |
| Interest Account 7150828B | \$3,462.03 | \$0.00 | \$0.19 | \$0.00 | \$0.19 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$3,462.22 |
| Principal Account 7150828C | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Reserve Fund 7150828D | \$291,607.39 | \$0.00 | \$15.97 | \$0.00 | \$15.97 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$291,623.36 |
| School Facilities Fund 7150828E | \$442,384.85 | \$0.00 | \$25.14 | \$0.00 | \$25.14 | \$0.00 | \$0.00 | (\$36,732.73) | \$0.00 | \$0.00 | (\$36,732.73) | \$0.00 | \$405,677.26 |
| Special Tax Fund 7150828A | \$433,718.92 | \$2,007.05 | \$23.63 | \$0.00 | \$2,030.68 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$435,749.60 |
| Total: | \$1,206,834.95 | \$2,007.05 | \$66.92 | \$0.00 | \$2,073.97 | \$0.00 | \$0.00 | (\$36,732.73) | (\$2,622.76) | \$0.00 | (\$39,355.49) | \$0.00 | \$1,169,553.43 |

Note:

SOURCES AND USES OF FUNDS

08/01/2009

| Account Name | SOURCES | | | | USES | | | | | | | Transfer | Ending Balance |
|---|-----------------------|----------------------|---------------------|---------------|----------------|-------------------|--------------------|-------------------------------------|-----------------------------|---------------|-------------------|---------------|-----------------------|
| | Beginning Balance | Special Tax Receipts | Investment Earnings | Miscellaneous | Total Sources | Interest Payments | Principal Payments | Acquisition/ Construction/ Payments | Legal/ Consulting/ Services | Miscellaneous | Total Uses | | |
| Administrative Expense Fund 7150828I | \$33,040.99 | \$0.00 | \$0.72 | \$0.00 | \$0.72 | \$0.00 | \$0.00 | \$0.00 | (\$600.00) | \$0.00 | (\$600.00) | \$0.00 | \$32,441.71 |
| Interest Account 7150828B | \$3,462.22 | \$0.00 | \$0.07 | \$0.00 | \$0.07 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$3,462.29 |
| Principal Account 7150828C | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Reserve Fund 7150828D | \$291,623.36 | \$0.00 | \$5.86 | \$0.00 | \$5.86 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$291,629.22 |
| School Facilities Fund 7150828E | \$405,677.26 | \$0.00 | \$8.83 | \$0.00 | \$8.83 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$405,686.09 |
| Special Tax Fund 7150828A | \$435,749.60 | \$0.00 | \$8.72 | \$0.00 | \$8.72 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$435,758.32 |
| Total: | \$1,169,553.43 | \$0.00 | \$24.20 | \$0.00 | \$24.20 | \$0.00 | \$0.00 | \$0.00 | (\$600.00) | \$0.00 | (\$600.00) | \$0.00 | \$1,168,977.63 |

Note:

SOURCES AND USES OF FUNDS

09/01/2009

| Account Name | SOURCES | | | | USES | | | | | | | Ending Balance | |
|---|-----------------------|----------------------|---------------------|---------------|---------------|----------------------|----------------------|-------------------------------------|-----------------------------|---------------|-----------------------|----------------|-----------------------|
| | Beginning Balance | Special Tax Receipts | Investment Earnings | Miscellaneous | Total Sources | Interest Payments | Principal Payments | Acquisition/ Construction/ Payments | Legal/ Consulting/ Services | Miscellaneous | Total Uses | | Transfer |
| Administrative Expense Fund 7150828I | \$32,441.71 | \$0.00 | \$0.28 | \$0.00 | \$0.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$32,441.99 |
| Interest Account 7150828B | \$3,462.29 | \$0.00 | \$0.03 | \$0.00 | \$0.03 | (\$81,201.25) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$81,201.25) | \$77,738.96 | \$0.03 |
| Principal Account 7150828C | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$20,000.00) | \$0.00 | \$0.00 | \$0.00 | (\$20,000.00) | \$20,000.00 | \$0.00 |
| Reserve Fund 7150828D | \$291,629.22 | \$0.00 | \$2.48 | \$0.00 | \$2.48 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,577.68 | \$294,209.38 |
| School Facilities Fund 7150828E | \$405,686.09 | \$0.00 | \$3.45 | \$0.00 | \$3.45 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$405,689.54 |
| Special Tax Fund 7150828A | \$435,758.32 | \$0.00 | \$3.70 | \$0.00 | \$3.70 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$100,316.64) | \$335,445.38 |
| Total: | \$1,168,977.63 | \$0.00 | \$9.94 | \$0.00 | \$9.94 | (\$81,201.25) | (\$20,000.00) | \$0.00 | \$0.00 | \$0.00 | (\$101,201.25) | \$0.00 | \$1,067,786.32 |

Note: \$81,201.25 was paid in Interest from the Interest Account for the September debt service obligation.
\$20,000.00 was paid in the Principal from the Principal Account for the September debt service obligation.

SOURCES AND USES OF FUNDS

10/01/2009

| Account Name | SOURCES | | | | USES | | | | | | | Transfer | Ending Balance | |
|---|-----------------------|----------------------|---------------------|---------------|-------------------|-------------------|--------------------|-------------------------------------|-----------------------------|---------------|-----------------------|---------------|----------------|---------------------|
| | Beginning Balance | Special Tax Receipts | Investment Earnings | Miscellaneous | Total Sources | Interest Payments | Principal Payments | Acquisition/ Construction/ Payments | Legal/ Consulting/ Services | Miscellaneous | Total Uses | | | |
| Administrative Expense Fund 7150828I | \$32,441.99 | \$0.00 | \$0.27 | \$0.00 | \$0.27 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$32,442.26 |
| Interest Account 7150828B | \$0.03 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.03 |
| Principal Account 7150828C | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Reserve Fund 7150828D | \$294,209.38 | \$0.00 | \$2.42 | \$0.00 | \$2.42 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$294,211.80 |
| School Facilities Fund 7150828E | \$405,689.54 | \$0.00 | \$3.33 | \$0.00 | \$3.33 | \$0.00 | \$0.00 | (\$142,813.22) | \$0.00 | \$0.00 | (\$142,813.22) | \$0.00 | \$0.00 | \$262,879.65 |
| Special Tax Fund 7150828A | \$335,445.38 | \$5,011.86 | \$2.76 | \$0.00 | \$5,014.62 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$340,460.00 |
| Total: | \$1,067,786.32 | \$5,011.86 | \$8.78 | \$0.00 | \$5,020.64 | \$0.00 | \$0.00 | (\$142,813.22) | \$0.00 | \$0.00 | (\$142,813.22) | \$0.00 | \$0.00 | \$929,993.74 |

Note:

SOURCES AND USES OF FUNDS

11/01/2009

| Account Name | SOURCES | | | | USES | | | | | | | Transfer | Ending Balance |
|---|-------------------|----------------------|---------------------|---------------|---------------|-------------------|--------------------|-------------------------------------|-----------------------------|---------------|--------------|----------|----------------|
| | Beginning Balance | Special Tax Receipts | Investment Earnings | Miscellaneous | Total Sources | Interest Payments | Principal Payments | Acquisition/ Construction/ Payments | Legal/ Consulting/ Services | Miscellaneous | Total Uses | | |
| Administrative Expense Fund 7150828I | \$32,442.26 | \$0.00 | \$0.28 | \$0.00 | \$0.28 | \$0.00 | \$0.00 | \$0.00 | (\$2,100.00) | \$0.00 | (\$2,100.00) | \$0.00 | \$30,342.54 |
| Interest Account 7150828B | \$0.03 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.03 |
| Principal Account 7150828C | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Reserve Fund 7150828D | \$294,211.80 | \$0.00 | \$2.50 | \$0.00 | \$2.50 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$294,214.30 |
| School Facilities Fund 7150828E | \$262,879.65 | \$0.00 | \$2.93 | \$100,000.00 | \$100,002.93 | \$0.00 | \$0.00 | (\$7,242.16) | \$0.00 | \$0.00 | (\$7,242.16) | \$0.00 | \$355,640.42 |
| Special Tax Fund 7150828A | \$340,460.00 | \$10,050.79 | \$2.88 | \$0.00 | \$10,053.67 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$350,513.67 |
| Total: | \$929,993.74 | \$10,050.79 | \$8.59 | \$100,000.00 | \$110,059.38 | \$0.00 | \$0.00 | (\$7,242.16) | (\$2,100.00) | \$0.00 | (\$9,342.16) | \$0.00 | \$1,030,710.96 |

Note: Miscellaneous Sources of funds in the amount of \$100,000.00 was deposited from Echo Pacific of Willow Grove repayment of retention per Poway memo 11/02/09.

SOURCES AND USES OF FUNDS

12/01/2009

| Account Name | SOURCES | | | | USES | | | | | | | Transfer | Ending Balance | |
|---|-----------------------|----------------------|---------------------|---------------|--------------------|-------------------|--------------------|-------------------------------------|-----------------------------|---------------|---------------|---------------|----------------|-----------------------|
| | Beginning Balance | Special Tax Receipts | Investment Earnings | Miscellaneous | Total Sources | Interest Payments | Principal Payments | Acquisition/ Construction/ Payments | Legal/ Consulting/ Services | Miscellaneous | Total Uses | | | |
| Administrative Expense Fund 7150828I | \$30,342.54 | \$0.00 | \$0.25 | \$0.00 | \$0.25 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$30,342.79 |
| Interest Account 7150828B | \$0.03 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.03 |
| Principal Account 7150828C | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Reserve Fund 7150828D | \$294,214.30 | \$0.00 | \$2.42 | \$0.00 | \$2.42 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$294,216.72 |
| School Facilities Fund 7150828E | \$355,640.42 | \$0.00 | \$2.89 | \$0.00 | \$2.89 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$355,643.31 |
| Special Tax Fund 7150828A | \$350,513.67 | \$54,357.36 | \$2.87 | \$0.00 | \$54,360.23 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$404,873.90 |
| Total: | \$1,030,710.96 | \$54,357.36 | \$8.43 | \$0.00 | \$54,365.79 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,085,076.75 |

Note:

SOURCES AND USES OF FUNDS

01/01/2010

| Account Name | SOURCES | | | | USES | | | | | | | Transfer | Ending Balance |
|---|-----------------------|----------------------|---------------------|---------------|--------------------|-------------------|--------------------|-------------------------------------|-----------------------------|---------------|---------------------|---------------|-----------------------|
| | Beginning Balance | Special Tax Receipts | Investment Earnings | Miscellaneous | Total Sources | Interest Payments | Principal Payments | Acquisition/ Construction/ Payments | Legal/ Consulting/ Services | Miscellaneous | Total Uses | | |
| Administrative Expense Fund 7150828I | \$30,342.79 | \$0.00 | \$0.26 | \$0.00 | \$0.26 | \$0.00 | \$0.00 | \$0.00 | (\$2,100.00) | \$0.00 | (\$2,100.00) | \$17,230.29 | \$45,473.34 |
| Interest Account 7150828B | \$0.03 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.03 |
| Principal Account 7150828C | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Reserve Fund 7150828D | \$294,216.72 | \$0.00 | \$2.50 | \$0.00 | \$2.50 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$294,219.22 |
| School Facilities Fund 7150828E | \$355,643.31 | \$0.00 | \$3.02 | \$0.00 | \$3.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$355,646.33 |
| Special Tax Fund 7150828A | \$404,873.90 | \$83,331.30 | \$3.30 | \$0.00 | \$83,334.60 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$17,230.29) | \$470,978.21 |
| Total: | \$1,085,076.75 | \$83,331.30 | \$9.08 | \$0.00 | \$83,340.38 | \$0.00 | \$0.00 | \$0.00 | (\$2,100.00) | \$0.00 | (\$2,100.00) | \$0.00 | \$1,166,317.13 |

Note: \$17,230.29 in Special Taxes was transferred from the Special Tax Fund to the Administrative Expense Fund pursuant to Section 3.02 of the Indenture.

SOURCES AND USES OF FUNDS

02/01/2010

| Account Name | SOURCES | | | | USES | | | | | | | Transfer | Ending Balance |
|---|-----------------------|----------------------|---------------------|---------------|-------------------|-------------------|--------------------|-------------------------------------|-----------------------------|---------------|---------------------|---------------|-----------------------|
| | Beginning Balance | Special Tax Receipts | Investment Earnings | Miscellaneous | Total Sources | Interest Payments | Principal Payments | Acquisition/ Construction/ Payments | Legal/ Consulting/ Services | Miscellaneous | Total Uses | | |
| Administrative Expense Fund 7150828I | \$45,473.34 | \$0.00 | \$0.37 | \$0.00 | \$0.37 | \$0.00 | \$0.00 | \$0.00 | (\$2,350.00) | \$0.00 | (\$2,350.00) | \$0.00 | \$43,123.71 |
| Interest Account 7150828B | \$0.03 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.03 |
| Principal Account 7150828C | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Reserve Fund 7150828D | \$294,219.22 | \$0.00 | \$2.50 | \$0.00 | \$2.50 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$294,221.72 |
| School Facilities Fund 7150828E | \$355,646.33 | \$0.00 | \$3.02 | \$0.00 | \$3.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$355,649.35 |
| Special Tax Fund 7150828A | \$470,978.21 | \$7,084.55 | \$3.75 | \$0.00 | \$7,088.30 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$478,066.51 |
| Total: | \$1,166,317.13 | \$7,084.55 | \$9.64 | \$0.00 | \$7,094.19 | \$0.00 | \$0.00 | \$0.00 | (\$2,350.00) | \$0.00 | (\$2,350.00) | \$0.00 | \$1,171,061.32 |

Note:

SOURCES AND USES OF FUNDS

03/01/2010

| Account Name | SOURCES | | | | USES | | | | | | | Transfer | Ending Balance |
|---|-----------------------|----------------------|---------------------|---------------|-------------------|----------------------|--------------------|------------------------------------|-----------------------------|---------------|-----------------------|---------------|-----------------------|
| | Beginning Balance | Special Tax Receipts | Investment Earnings | Miscellaneous | Total Sources | Interest Payments | Principal Payments | Acquisition/ Construction Payments | Legal/ Consulting/ Services | Miscellaneous | Total Uses | | |
| Administrative Expense Fund 7150828I | \$43,123.71 | \$0.00 | \$0.34 | \$0.00 | \$0.34 | \$0.00 | \$0.00 | \$0.00 | (\$12,480.00) | \$0.00 | (\$12,480.00) | \$0.00 | \$30,644.05 |
| Interest Account 7150828B | \$0.03 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$80,866.25) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$80,866.25) | \$80,866.22 | \$0.00 |
| Principal Account 7150828C | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Reserve Fund 7150828D | \$294,221.72 | \$0.00 | \$2.26 | \$0.00 | \$2.26 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,876.02 | \$296,100.00 |
| School Facilities Fund 7150828E | \$355,649.35 | \$0.00 | \$2.73 | \$0.00 | \$2.73 | \$0.00 | \$0.00 | (\$8,548.28) | \$0.00 | \$0.00 | (\$8,548.28) | \$0.00 | \$347,103.80 |
| Special Tax Fund 7150828A | \$478,066.51 | \$5,075.31 | \$3.65 | \$0.00 | \$5,078.96 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$82,742.24) | \$400,403.23 |
| Total: | \$1,171,061.32 | \$5,075.31 | \$8.98 | \$0.00 | \$5,084.29 | (\$80,866.25) | \$0.00 | (\$8,548.28) | (\$12,480.00) | \$0.00 | (\$101,894.53) | \$0.00 | \$1,074,251.08 |

Note: \$80,866.25 was paid in Interest from the Interest Account for the March debt service obligation.
\$1,876.02 was transferred from the Special Tax Fund to Reserve Fund to equal the reserve requirement per Sec 3.06 of the Bond Indenture.

SOURCES AND USES OF FUNDS

04/01/2010

| Account Name | SOURCES | | | | USES | | | | | | | Transfer | Ending Balance |
|---|-----------------------|----------------------|---------------------|---------------|--------------------|-------------------|--------------------|-------------------------------------|-----------------------------|---------------|---------------------|---------------|-----------------------|
| | Beginning Balance | Special Tax Receipts | Investment Earnings | Miscellaneous | Total Sources | Interest Payments | Principal Payments | Acquisition/ Construction/ Payments | Legal/ Consulting/ Services | Miscellaneous | Total Uses | | |
| Administrative Expense Fund 7150828I | \$30,644.05 | \$0.00 | \$0.31 | \$0.00 | \$0.31 | \$0.00 | \$0.00 | \$0.00 | (\$2,100.00) | \$0.00 | (\$2,100.00) | \$0.00 | \$28,544.36 |
| Interest Account 7150828B | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Principal Account 7150828C | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Reserve Fund 7150828D | \$296,100.00 | \$0.00 | \$2.51 | \$0.00 | \$2.51 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$296,102.51 |
| School Facilities Fund 7150828E | \$347,103.80 | \$0.00 | \$2.98 | \$0.00 | \$2.98 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$347,106.78 |
| Special Tax Fund 7150828A | \$400,403.23 | \$19,404.35 | \$3.39 | \$0.00 | \$19,407.74 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$419,810.97 |
| Total: | \$1,074,251.08 | \$19,404.35 | \$9.19 | \$0.00 | \$19,413.54 | \$0.00 | \$0.00 | \$0.00 | (\$2,100.00) | \$0.00 | (\$2,100.00) | \$0.00 | \$1,091,564.62 |

Note:

Exhibit C

**Annual Special Tax Roll
Fiscal Year 2010/2011**

**Poway Unified School District
Improvement Area C of CFD No. 10
Special Tax Levy For Fiscal Year 2010/2011**

| Book | Page | Parcel | Interest | Special Tax |
|-------------|-------------|---------------|-----------------|--------------------|
| 306 | 380 | 1 | 0 | \$1,283.10 |
| 306 | 380 | 2 | 0 | \$1,513.16 |
| 306 | 380 | 3 | 0 | \$1,421.12 |
| 306 | 380 | 4 | 0 | \$1,513.16 |
| 306 | 380 | 5 | 0 | \$1,145.06 |
| 306 | 380 | 6 | 0 | \$1,283.10 |
| 306 | 380 | 7 | 0 | \$1,145.06 |
| 306 | 380 | 8 | 0 | \$1,283.10 |
| 306 | 380 | 9 | 0 | \$1,513.16 |
| 306 | 380 | 10 | 0 | \$1,421.12 |
| 306 | 380 | 11 | 0 | \$1,421.12 |
| 306 | 380 | 12 | 0 | \$1,145.06 |
| 306 | 380 | 13 | 0 | \$1,421.12 |
| 306 | 380 | 14 | 0 | \$1,145.06 |
| 306 | 380 | 15 | 0 | \$1,513.16 |
| 306 | 380 | 16 | 0 | \$1,421.12 |
| 306 | 380 | 17 | 0 | \$1,421.12 |
| 306 | 380 | 18 | 0 | \$1,145.06 |
| 306 | 380 | 19 | 0 | \$1,421.12 |
| 306 | 380 | 20 | 0 | \$1,145.06 |
| 306 | 380 | 21 | 0 | \$1,513.16 |
| 306 | 380 | 22 | 0 | \$1,421.12 |
| 306 | 381 | 1 | 0 | \$1,283.10 |
| 306 | 381 | 2 | 0 | \$1,145.06 |
| 306 | 381 | 3 | 0 | \$1,421.12 |
| 306 | 381 | 4 | 0 | \$1,513.16 |
| 306 | 381 | 5 | 0 | \$1,421.12 |
| 306 | 381 | 6 | 0 | \$1,513.16 |
| 306 | 381 | 7 | 0 | \$1,283.10 |
| 306 | 381 | 8 | 0 | \$1,283.10 |
| 306 | 381 | 9 | 0 | \$1,145.06 |
| 306 | 381 | 10 | 0 | \$1,513.16 |
| 306 | 381 | 11 | 0 | \$1,283.10 |
| 306 | 381 | 12 | 0 | \$1,283.10 |
| 306 | 381 | 13 | 0 | \$1,421.12 |
| 306 | 381 | 14 | 0 | \$1,421.12 |
| 306 | 381 | 15 | 0 | \$1,145.06 |
| 306 | 381 | 16 | 0 | \$1,283.10 |
| 306 | 381 | 17 | 0 | \$1,145.06 |
| 306 | 381 | 18 | 0 | \$1,283.10 |
| 306 | 381 | 19 | 0 | \$1,513.16 |
| 306 | 381 | 20 | 0 | \$1,145.06 |
| 306 | 381 | 21 | 0 | \$1,421.12 |

**Poway Unified School District
Improvement Area C of CFD No. 10
Special Tax Levy For Fiscal Year 2010/2011**

| Book | Page | Parcel | Interest | Special Tax |
|-------------|-------------|---------------|-----------------|--------------------|
| 306 | 381 | 22 | 0 | \$1,513.16 |
| 306 | 381 | 23 | 0 | \$1,283.10 |
| 306 | 381 | 24 | 0 | \$1,145.06 |
| 306 | 381 | 25 | 0 | \$1,421.12 |
| 306 | 381 | 26 | 0 | \$1,283.10 |
| 306 | 381 | 27 | 0 | \$1,513.16 |
| 306 | 381 | 28 | 0 | \$1,145.06 |
| 306 | 381 | 29 | 0 | \$1,513.16 |
| 306 | 381 | 30 | 0 | \$1,513.16 |
| 306 | 381 | 31 | 0 | \$1,421.12 |
| 306 | 381 | 32 | 0 | \$1,145.06 |
| 306 | 381 | 33 | 0 | \$1,283.10 |
| 306 | 381 | 34 | 0 | \$1,145.06 |
| 306 | 381 | 35 | 0 | \$1,421.12 |
| 306 | 381 | 36 | 0 | \$1,513.16 |
| 306 | 381 | 37 | 0 | \$1,513.16 |
| 306 | 381 | 38 | 0 | \$1,283.10 |
| 306 | 381 | 39 | 0 | \$1,513.16 |
| 306 | 381 | 40 | 0 | \$1,145.06 |
| 306 | 381 | 41 | 0 | \$1,145.06 |
| 306 | 381 | 42 | 0 | \$1,513.16 |
| 306 | 381 | 43 | 0 | \$1,283.10 |
| 306 | 381 | 44 | 0 | \$1,513.16 |
| 306 | 381 | 45 | 0 | \$1,421.12 |
| 306 | 381 | 46 | 0 | \$1,283.10 |
| 306 | 381 | 47 | 0 | \$1,145.06 |
| 306 | 381 | 48 | 0 | \$1,421.12 |
| 306 | 380 | 23 | 0 | \$1,513.16 |
| 306 | 380 | 24 | 0 | \$1,145.06 |
| 306 | 380 | 25 | 0 | \$1,283.10 |
| 306 | 380 | 26 | 0 | \$1,421.12 |
| 306 | 380 | 27 | 0 | \$1,145.06 |
| 306 | 380 | 28 | 0 | \$1,513.16 |
| 306 | 380 | 29 | 0 | \$1,513.16 |
| 306 | 380 | 30 | 0 | \$1,145.06 |
| 306 | 380 | 31 | 0 | \$1,421.12 |
| 306 | 380 | 32 | 0 | \$1,513.16 |
| 306 | 380 | 33 | 0 | \$1,283.10 |
| 306 | 380 | 34 | 0 | \$1,513.16 |
| 306 | 380 | 35 | 0 | \$1,283.10 |
| 306 | 380 | 36 | 0 | \$1,421.12 |
| 306 | 380 | 37 | 0 | \$1,513.16 |
| 306 | 380 | 38 | 0 | \$1,145.06 |

**Poway Unified School District
Improvement Area C of CFD No. 10
Special Tax Levy For Fiscal Year 2010/2011**

| Book | Page | Parcel | Interest | Special Tax |
|-------------|-------------|---------------|-----------------|--------------------|
| 306 | 380 | 39 | 0 | \$1,421.12 |
| 306 | 380 | 40 | 0 | \$1,283.10 |
| 306 | 380 | 41 | 0 | \$1,513.16 |
| 306 | 380 | 42 | 0 | \$1,145.06 |
| 306 | 380 | 43 | 0 | \$1,421.12 |
| 306 | 380 | 44 | 0 | \$1,513.16 |
| 306 | 380 | 45 | 0 | \$1,283.10 |
| 306 | 380 | 46 | 0 | \$1,283.10 |
| 306 | 380 | 47 | 0 | \$1,145.06 |
| 306 | 380 | 48 | 0 | \$1,513.16 |
| 306 | 380 | 49 | 0 | \$1,421.12 |
| 306 | 380 | 50 | 0 | \$1,283.10 |
| 306 | 380 | 51 | 0 | \$1,145.06 |
| 306 | 380 | 52 | 0 | \$1,513.16 |
| 306 | 380 | 53 | 0 | \$1,421.12 |
| 306 | 380 | 54 | 0 | \$1,283.10 |
| 306 | 380 | 55 | 0 | \$1,421.12 |
| 306 | 380 | 56 | 0 | \$1,421.12 |
| 306 | 380 | 57 | 0 | \$1,145.06 |
| 306 | 380 | 58 | 0 | \$1,283.10 |
| 306 | 380 | 59 | 0 | \$1,513.16 |
| 306 | 380 | 60 | 0 | \$0.00 |
| 306 | 381 | 49 | 0 | \$0.00 |
| 306 | 381 | 50 | 0 | \$0.00 |
| 306 | 380 | 61 | 0 | \$0.00 |
| 306 | 380 | 62 | 0 | \$0.00 |
| 306 | 381 | 51 | 0 | \$0.00 |
| 306 | 381 | 52 | 0 | \$0.00 |
| 306 | 381 | 53 | 0 | \$0.00 |
| 306 | 380 | 63 | 0 | \$0.00 |
| 306 | 381 | 54 | 0 | \$0.00 |
| 306 | 380 | 64 | 0 | \$0.00 |
| 306 | 381 | 55 | 0 | \$0.00 |
| 306 | 381 | 56 | 0 | \$0.00 |
| 306 | 381 | 57 | 0 | \$0.00 |
| 306 | 381 | 58 | 0 | \$0.00 |
| 306 | 381 | 59 | 0 | \$0.00 |
| 306 | 380 | 65 | 0 | \$0.00 |
| 306 | 380 | 66 | 0 | \$0.00 |
| 306 | 380 | 67 | 0 | \$0.00 |
| 306 | 380 | 68 | 0 | \$0.00 |
| 306 | 380 | 69 | 0 | \$0.00 |
| 306 | 380 | 70 | 0 | \$0.00 |

**Poway Unified School District
Improvement Area C of CFD No. 10
Special Tax Levy For Fiscal Year 2010/2011**

| Book | Page | Parcel | Interest | Special Tax |
|-------------|-------------|---------------|-----------------|--------------------|
| 306 | 381 | 60 | 0 | \$0.00 |
| 306 | 381 | 61 | 0 | \$0.00 |
| 306 | 400 | 11 | 1 | \$1,437.38 |
| 306 | 400 | 11 | 2 | \$1,768.66 |
| 306 | 400 | 11 | 3 | \$1,630.62 |
| 306 | 400 | 11 | 4 | \$1,630.62 |
| 306 | 400 | 11 | 5 | \$1,768.66 |
| 306 | 400 | 11 | 6 | \$1,437.38 |
| 306 | 400 | 11 | 7 | \$1,437.38 |
| 306 | 400 | 11 | 8 | \$1,768.66 |
| 306 | 400 | 11 | 9 | \$1,630.62 |
| 306 | 400 | 11 | 10 | \$1,630.62 |
| 306 | 400 | 11 | 11 | \$1,768.66 |
| 306 | 400 | 11 | 12 | \$1,437.38 |
| 306 | 400 | 11 | 13 | \$1,437.38 |
| 306 | 400 | 11 | 14 | \$1,768.66 |
| 306 | 400 | 11 | 15 | \$1,630.62 |
| 306 | 400 | 11 | 16 | \$1,630.62 |
| 306 | 400 | 11 | 17 | \$1,768.66 |
| 306 | 400 | 11 | 18 | \$1,437.38 |
| 306 | 400 | 9 | 1 | \$1,437.38 |
| 306 | 400 | 9 | 2 | \$1,768.66 |
| 306 | 400 | 9 | 3 | \$1,630.62 |
| 306 | 400 | 9 | 4 | \$1,630.62 |
| 306 | 400 | 9 | 5 | \$1,768.66 |
| 306 | 400 | 9 | 6 | \$1,437.38 |
| 306 | 400 | 9 | 7 | \$1,437.38 |
| 306 | 400 | 9 | 8 | \$1,768.66 |
| 306 | 400 | 9 | 9 | \$1,630.62 |
| 306 | 400 | 9 | 10 | \$1,630.62 |
| 306 | 400 | 9 | 11 | \$1,768.66 |
| 306 | 400 | 9 | 12 | \$1,437.38 |
| 306 | 400 | 8 | 1 | \$1,630.62 |
| 306 | 400 | 8 | 2 | \$1,768.66 |
| 306 | 400 | 8 | 3 | \$1,437.38 |
| 306 | 400 | 7 | 1 | \$1,437.38 |
| 306 | 400 | 7 | 2 | \$1,768.66 |
| 306 | 400 | 7 | 3 | \$1,630.62 |
| 306 | 400 | 7 | 4 | \$1,630.62 |
| 306 | 400 | 7 | 5 | \$1,768.66 |
| 306 | 400 | 7 | 6 | \$1,437.38 |
| 306 | 400 | 6 | 1 | \$1,437.38 |
| 306 | 400 | 6 | 2 | \$1,768.66 |

**Poway Unified School District
Improvement Area C of CFD No. 10
Special Tax Levy For Fiscal Year 2010/2011**

| Book | Page | Parcel | Interest | Special Tax |
|-------------|-------------|---------------|-----------------|--------------------|
| 306 | 400 | 6 | 3 | \$1,630.62 |
| 306 | 400 | 6 | 4 | \$1,630.62 |
| 306 | 400 | 6 | 5 | \$1,768.66 |
| 306 | 400 | 6 | 6 | \$1,437.38 |
| 306 | 400 | 12 | 1 | \$1,437.38 |
| 306 | 400 | 12 | 2 | \$1,768.66 |
| 306 | 400 | 12 | 3 | \$1,630.62 |
| 306 | 400 | 6 | 7 | \$1,437.38 |
| 306 | 400 | 6 | 8 | \$1,768.66 |
| 306 | 400 | 6 | 9 | \$1,630.62 |
| 306 | 400 | 6 | 10 | \$1,630.62 |
| 306 | 400 | 6 | 11 | \$1,768.66 |
| 306 | 400 | 6 | 12 | \$1,437.38 |
| 306 | 400 | 6 | 13 | \$1,437.38 |
| 306 | 400 | 6 | 14 | \$1,768.66 |
| 306 | 400 | 6 | 15 | \$1,630.62 |
| 306 | 400 | 6 | 16 | \$1,630.62 |
| 306 | 400 | 6 | 17 | \$1,768.66 |
| 306 | 400 | 6 | 18 | \$1,437.38 |
| 306 | 400 | 7 | 7 | \$1,437.38 |
| 306 | 400 | 7 | 8 | \$1,768.66 |
| 306 | 400 | 7 | 9 | \$1,630.62 |
| 306 | 400 | 7 | 10 | \$1,630.62 |
| 306 | 400 | 7 | 11 | \$1,768.66 |
| 306 | 400 | 7 | 12 | \$1,437.38 |
| 306 | 400 | 8 | 4 | \$1,437.38 |
| 306 | 400 | 8 | 5 | \$1,768.66 |
| 306 | 400 | 8 | 6 | \$1,630.62 |
| 306 | 400 | 8 | 7 | \$1,630.62 |
| 306 | 400 | 8 | 8 | \$1,768.66 |
| 306 | 400 | 8 | 9 | \$1,437.38 |
| 306 | 400 | 10 | 1 | \$1,437.38 |
| 306 | 400 | 10 | 2 | \$1,768.66 |
| 306 | 400 | 10 | 3 | \$1,630.62 |
| 306 | 400 | 10 | 4 | \$1,630.62 |
| 306 | 400 | 10 | 5 | \$1,768.66 |
| 306 | 400 | 10 | 6 | \$1,437.38 |
| 306 | 400 | 10 | 7 | \$1,437.38 |
| 306 | 400 | 10 | 8 | \$1,768.66 |
| 306 | 400 | 10 | 9 | \$1,630.62 |
| 306 | 400 | 10 | 10 | \$1,630.62 |
| 306 | 400 | 10 | 11 | \$1,768.66 |
| 306 | 400 | 10 | 12 | \$1,437.38 |

**Poway Unified School District
Improvement Area C of CFD No. 10
Special Tax Levy For Fiscal Year 2010/2011**

| Book | Page | Parcel | Interest | Special Tax |
|-------------|-------------|---------------|-----------------|--------------------|
| 306 | 400 | 2 | 0 | \$0.00 |
| 306 | 400 | 4 | 0 | \$0.00 |
| 306 | 51 | 26 | 0 | \$0.00 |

| Major Conclusions | |
|--|--------------|
| Total Number of Parcels | 218 |
| Number of Parcels Taxed | 191 |
| Total Special Tax Levy for Fiscal Year 2010/2011 | \$279,527.42 |