

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

\$31,300,000
CITY OF CARLSBAD
REASSESSMENT DISTRICT NO. 2012-1
LIMITED OBLIGATION REFUNDING BONDS

Dated: Date of Delivery

Due: September 2, as shown inside cover

The City of Carlsbad Reassessment District No. 2012-1 Limited Obligation Refunding Bonds (the “Bonds”) are limited obligations of the City of Carlsbad (the “City”) secured by special reassessments to be levied on real property located within City of Carlsbad Reassessment District No. 2012-1 (the “Reassessment District”). The Bonds are being issued to defease and redeem the City’s Assessment District No. 2003-01 (College Boulevard and Cannon Road East) Benefit Area No. 1 (Calavera Hills II) Limited Obligation Improvement Bonds (the “2004 Bonds”) and Assessment District No. 2002-01 (Poinsettia Lane East) Limited Obligation Improvement Bonds, Series 2005A (the “2005A Bonds” and together with the 2004 Bonds, the “Prior Bonds”). The proceeds of the Prior Bonds were used to acquire, design, and construct certain public improvements within the Reassessment District.

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

The Bonds are special obligations of the City payable solely from revenues derived from installments of Reassessments (as defined in this Official Statement) to be levied on and collected from the owners of parcels within the Reassessment District. Under the provisions of the Act installments of principal and interest sufficient to meet annual Bond debt service will be levied by the City and billed by the County of San Diego (the “County”) to owners of property within the Reassessment District against which there are unpaid Reassessments. Upon receipt by the City from the County, these annual Reassessment installments are to be paid into the Redemption Fund to be held by the Trustee and used to pay debt service on the Bonds as it becomes due. In addition to the Reassessments, the Bonds will be initially secured by a pledge and lien on the Assessments levied within the Prior Assessment Districts (as defined in this Official Statement) in fiscal year 2012-13 which have not been collected as of the date of delivery of the Bonds.

Unpaid Reassessments constitute fixed liens on the lots and parcels assessed within the Reassessment District and do not constitute a personal indebtedness of the respective owners of such lots and parcels. Accordingly, in the event of a delinquency, proceedings may be had only against the real property securing the delinquent Reassessment installment. Thus, the value of land within the Reassessment District is a critical factor in determining the investment quality of the Bonds. See “THE REASSESSMENT DISTRICT — Value-to-Reassessment Lien Ratios” and “BONDOWNERS’ RISKS — Land Values”.

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

The Bonds are subject to optional redemption, mandatory sinking fund redemption and extraordinary mandatory redemption from prepayments of Reassessments. See “THE BONDS — Redemption of Bonds”.

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

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including, without limitation, “BONDOWNERS’ RISKS,” to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and delivered to the Underwriter subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel and Disclosure Counsel. Certain matters will be passed upon for the City by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation, San Francisco, California. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about January 30, 2013.

STONE & YOUNGBERG
 A DIVISION OF STIFEL NICOLAUS

\$31,300,000
CITY OF CARLSBAD
REASSESSMENT DISTRICT NO. 2012-1
LIMITED OBLIGATION REFUNDING BONDS

MATURITY SCHEDULE

| <i>Maturity Date (September 2)</i> | <i>Principal Amount</i> | <i>Interest Rate</i> | <i>Yield</i> | <i>CUSIP[†]</i> |
|---|------------------------------------|-----------------------------|---------------------|---------------------------------|
| 2014 | \$ 1,805,000 | 2.000% | 1.125% | 142579GC9 |
| 2015 | 1,025,000 | 2.000 | 1.500 | 142579GD7 |
| 2016 | 1,045,000 | 3.000 | 1.875 | 142579GE5 |
| 2017 | 1,065,000 | 3.000 | 2.250 | 142579GF2 |
| 2018 | 1,095,000 | 3.000 | 2.500 | 142579GG0 |
| 2019 | 1,130,000 | 3.000 | 2.750 | 142579GH8 |
| 2020 | 1,160,000 | 3.000 | 2.950 | 142579GJ4 |
| 2021 | 1,195,000 | 3.150 | 3.150 | 142579GK1 |
| 2022 | 1,235,000 | 3.375 | 3.375 | 142579GL9 |
| 2023 | 1,280,000 | 3.550 | 3.550 | 142579GM7 |
| 2024 | 1,325,000 | 3.700 | 3.700 | 142579GN5 |
| 2025 | 1,375,000 | 3.800 | 3.800 | 142579GP0 |
| 2026 | 1,425,000 | 3.900 | 3.900 | 142579GQ8 |
| 2027 | 1,480,000 | 4.000 | 4.000 | 142579GR6 |
| 2028 | 1,545,000 | 4.000 | 4.050 | 142579GS4 |
| 2029 | 1,605,000 | 4.125 | 4.125 | 142579GT2 |
| 2030 | 1,670,000 | 4.125 | 4.200 | 142579GU9 |
| 2031 | 1,740,000 | 4.125 | 4.230 | 142579GV7 |
| 2032 | 1,810,000 | 4.250 | 4.280 | 142579GW5 |

\$5,290,000 5.000% Term Bond due September 2, 2035 Yield: 4.180%^C CUSIP[†] 142579GX3

[†] CUSIP® is a registered trademark of the American Bankers Association. Copyright© 1999-2013, American Bankers Association. All rights reserved. CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw Hill Companies, Inc. The City and the Underwriter take no responsibility for the accuracy of such data.

^C Yield to the optional redemption date of September 2, 2022 at par.

CITY OF CARLSBAD

ELECTED OFFICIALS

Matt Hall, *Mayor*
Mark Packard, *Councilmember*
Keith Blackburn, *Councilmember*
Farrah Golshan Douglas, *Councilmember*
Lorraine M. Wood, *Councilmember*
Jim Comstock, *City Treasurer*

CITY OFFICIALS

John Coates, *Interim City Manager*
Cynthia Haas, *Deputy City Manager*
Celia Brewer, *City Attorney*
Skip Hammann, *Transportation Director*
Chuck McBride, *Finance Director*

BOND COUNSEL AND DISCLOSURE COUNSEL

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

TRUSTEE

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

REASSESSMENT ENGINEER

NBS
Temecula, California

FINANCIAL ADVISOR

Fieldman, Rolapp & Associates
Irvine, CA

VERIFICATION AGENT

Grant Thornton LLP
Minneapolis, Minnesota

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

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. This Official Statement, including any supplement or amendment hereto, is intended to be filed with and made publicly available through the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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

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

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "THE REASSESSMENT DISTRICT." The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the Continuing Disclosure Certificate, a form of which is attached as Appendix D, the City does not plan to issue any updates or revisions to the forward-looking statements set forth in this Official Statement.

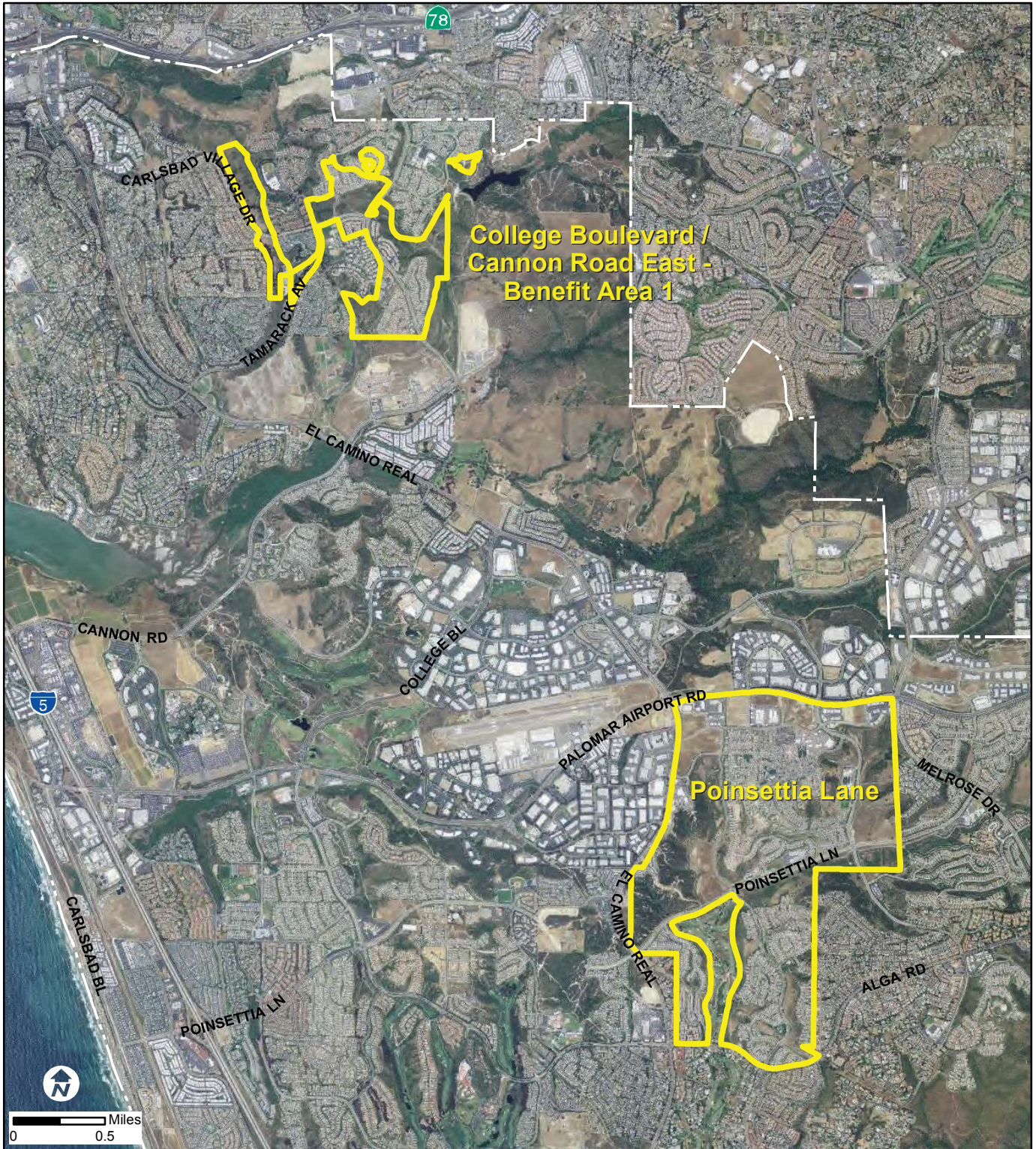
IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

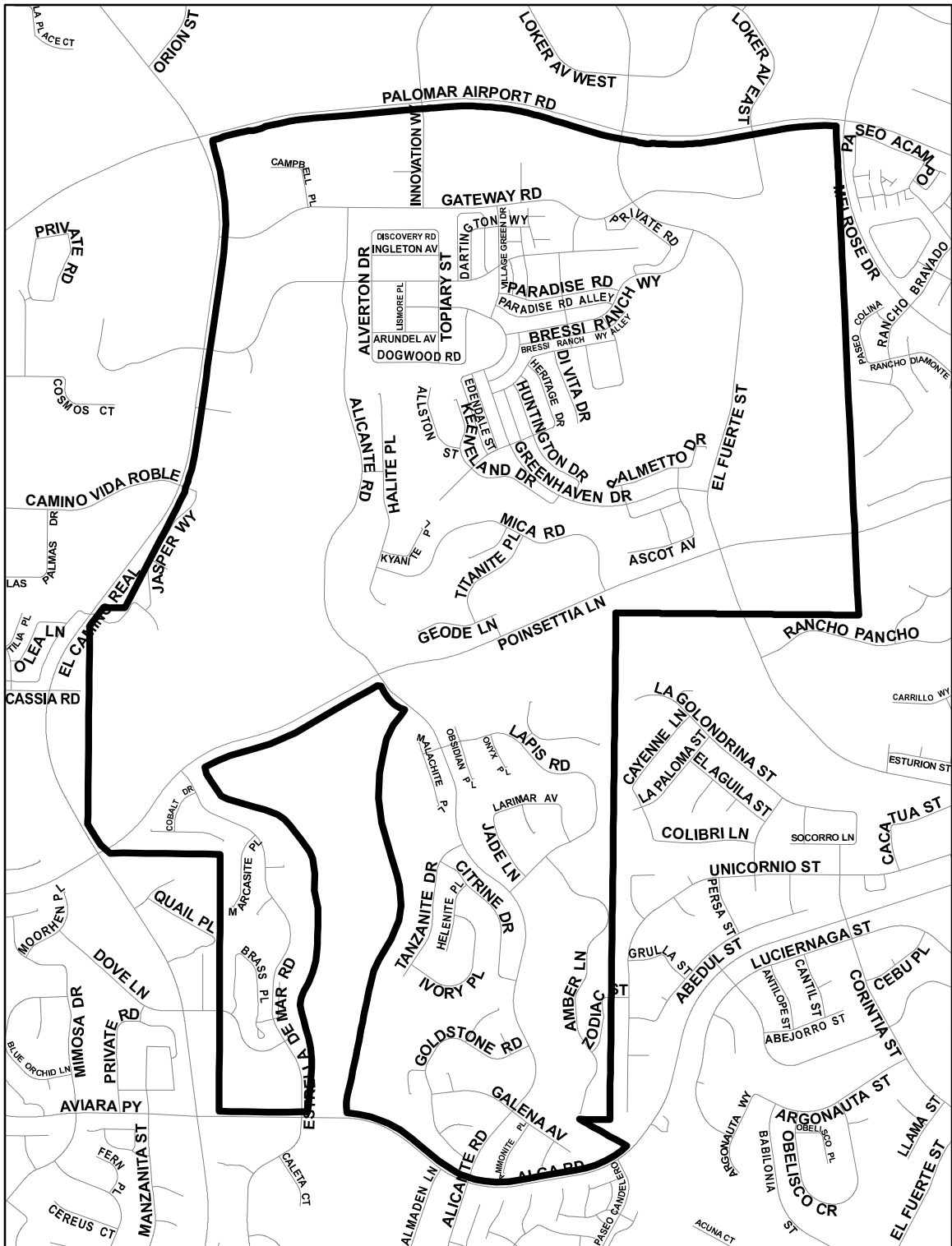
THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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Reassessment District No. 2012-1





2002-01 Poinsettia Lane

\$31,300,000
CITY OF CARLSBAD
REASSESSMENT DISTRICT NO. 2012-1
LIMITED OBLIGATION REFUNDING BONDS

INTRODUCTION

General

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

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by the City of Carlsbad (the “City”) of the \$31,300,000 City of Carlsbad Reassessment District No. 2012-1 Limited Obligation Refunding Bonds (the “Bonds”). The proceeds of the Bonds, together with certain existing funds of the City, will be used to defease and redeem all of the City’s (i) Assessment District No. 2003-01 (College Boulevard and Cannon Road East) Benefit Area No. 1 (Calavera Hills II) Limited Obligation Improvement Bonds (the “2004 Bonds”) originally issued on June 10, 2004 in the aggregate principal amount of \$11,760,000 and now outstanding in the principal amount of \$10,155,000, and (ii) Assessment District No. 2002-01 (Poinsettia Lane East) Limited Obligation Improvement Bonds, Series 2005A (the “2005A Bonds” and together with the 2004 Bonds, the “Prior Bonds”) originally issued on February 17, 2005 in the aggregate principal amount of \$33,085,000 and now outstanding in the principal amount of \$28,630,000. A portion of the proceeds of the Bonds will be used to fund a deposit to the Reserve Fund for the Bonds and to pay the costs of issuing the Bonds. See “THE REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS”.

The Bonds are to be issued under the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of California (the “Act”), and pursuant to an Indenture by and between the City acting on behalf of the City of Carlsbad Reassessment District No. 2012-1 (the “Reassessment District”) and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), dated as of January 1, 2013 (the “Indenture”). The Bonds are secured under the Indenture by a pledge of and lien upon the Reassessments (as defined in this Official Statement) and all moneys on deposit in the Redemption Fund and the Reserve Fund established pursuant to the Indenture. In addition to the Reassessments, the Bonds will be initially secured by a pledge and lien on the Assessments levied within the Prior Assessment Districts (as defined in this Official Statement) in fiscal year 2012-13 which have not been collected as of the date of delivery of the Bonds. See “SECURITY FOR THE BONDS.”

Forward Looking Statements

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

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

The Reassessment District

The Reassessment District includes all of the property within Assessment District No. 2002-01 (Poinsettia Lane East) (“Assessment District No. 2002-01”) and Benefit Area No. 1 (Calavera Hills II) of Assessment District No. 2003-01 (College Boulevard and Cannon Road East) (“Benefit Area No. 1 of Assessment District No. 2003-01” and together with Assessment District No. 2002-01, the “Prior Assessment Districts”, each a “Prior Assessment District”) with the exception of 3 parcels for which the Assessments levied against them have been prepaid. The Reassessment District encompasses 2,020 parcels consisting of 1,482 parcels for single family detached homes, 375 parcels for multi-family units, 85 commercial parcels, 26 industrial parcels, 4 other developed parcels, and 48 undeveloped parcels.

Assessment District No. 2002-01 is located in the east central portion of the City, southeast of the McClellan-Palomar Airport. Assessment District No. 2002-01 encompasses two master plans: the Bressi Ranch Master Plan and the La Costa Greens portion of the Villages of La Costa Master Plan. The Bressi Ranch Master Plan’s primary goal is to create a pedestrian oriented community and consists of 5 planning areas containing office, industrial, and warehouse uses, seven planning areas of single family detached homes, one hundred units of affordable multifamily apartments, a small commercial site housing a gas station/mini-mart, a mixed-use area containing commercial and community facilities, a recreational vehicle storage area, a private school, numerous open space areas, and a large “Village Green.” The La Costa Greens is a residential development created to take advantage of the natural open space of the area. A pedestrian trail system links the individual neighborhoods and many homes have golf course and open space views.

Assessment District No. 2003-01 (College Boulevard and Cannon Road East) is located in the northern portion of the City, primarily along College Boulevard south of State Highway 78. Assessment District No. 2003-01 encompasses a portion of the Calavera Hills II Master Plan which features 19 residential villages, 1 community park, 2 school sites, 2 community facility sites, 1 recreational vehicle storage facility and large areas of open space corridors. Further, the Assessment District is located adjacent to the Lake Calavera Preserve; the largest of 13 city owned, dedicated, and managed nature preserves in Carlsbad. This area is popular with hikers, mountain bikers, and nature lovers. Many homes in the Assessment District have views of the Lake Calavera Preserve.

Proceedings for the formation of the Prior Assessment Districts were taken by the City Council of the City pursuant to the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code (the “1913 Act”) in order to assist in providing certain roadway improvements including storm drain, sewer, water, recycled water, and dry utilities of special benefit to the parcels located within the boundaries of the Prior Assessment Districts. The City Council confirmed on each of those parcels an assessment (individually an “Assessment” and collectively the “Assessments”) proportionate to the special benefit received by it from the improvements. Assessment District No. 2003-01 (College Boulevard and Cannon Road East) also encompassed Benefit Area No. 2, which includes the primarily residential Robertson Ranch East development. **Any assessments levied in Benefit Area No. 2, are not security for the Bonds.**

In order to provide the funds with which to construct the certain public capital improvements benefitting the Prior Assessment Districts, the City issued the 2004 Bonds in an aggregate principal amount of \$11,760,000 on June 10, 2004 and the 2005A Bonds in an aggregate principal amount of \$33,085,000 on

February 17, 2005. The Prior Bonds are secured by the unpaid Assessments levied respectively within each Prior Assessment District; and installments of those Assessments, which are collected each year along with the *ad valorem* taxes collected by the County of San Diego (the “County”), have been used to pay the principal of and interest on the Prior Bonds as the same became due and payable.

On January 8, 2013, the City Council took proceedings under the Act and confirmed a reassessment, which reassessment and a related diagram were recorded in the office of the Transportation Director, acting as the Superintendent of Streets, and with the County Recorder of the County of San Diego. A notice of reassessment, as prescribed in Section 3114 of the Streets and Highways Code, has been recorded with the County Recorder of the County of San Diego, whereupon the reassessment attached as a lien upon the property assessed within the Reassessment District as provided in Section 3115 of the Streets and Highways Code. Pursuant to the 1984 Act the City may issue refunding bonds for the purpose of redeeming the Prior Bonds. The City may issue and sell refunding bonds without giving notice to and conducting a hearing for the owners of property in the Reassessment District or giving notice to the owners of the Bonds if the City Council makes the findings required in the Act.

Property Values and Value-to-Reassessment Lien Ratios

The aggregate assessed value of the parcels in the City with unpaid Reassessments, as shown in the County of San Diego assessor’s roll for fiscal year 2012-13, is \$1,437,599,297. The ratio of the assessed value of such parcels to the total amount of the unpaid Reassessments, is approximately 45.93 to 1 (exclusive of the unpaid Assessments for fiscal year 2012-13 and overlapping debt described herein). See “THE REASSESSMENT DISTRICT — Value-to-Reassessment Lien Ratios”.

No Additional Bonds

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

Tax Matters

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

Professionals Involved in the Offering

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, will act as Trustee under the Indenture and as the initial Dissemination Agent under the City’s Continuing Disclosure Agreement. The legal proceedings in connection with the issuance and delivery of the Bonds are subject to the approval as to their legality of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed on for the City by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation, San Francisco, California. Other professional services have been performed by NBS, Temecula, California, as Reassessment Engineer.

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

Continuing Disclosure

The City has agreed to provide, or cause to be provided, to each nationally recognized municipal securities information repository and any public or private repository or entity designated by the State as a state repository for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission, certain annual or semi-annual (as applicable) financial information and operating data. The City has further agreed to provide notice of certain enumerated events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5). See “CONCLUDING INFORMATION — Continuing Disclosure” herein and Appendix F hereto for a description of the specific nature of the annual reports and notices of enumerated events to be provided by the City.

Bond Owners’ Risks

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

Other Information

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

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

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

REFUNDING PLAN

The Bonds are being issued to provide a portion of the moneys, together with certain funds on deposit with The Bank of New York Mellon Trust Company, N.A., acting as escrow agent (the “Escrow Agent”), to refund the City’s outstanding 2004 Bonds, in the aggregate principal amount of \$10,155,000, and 2005A Bonds in the aggregate principal amount of \$28,630,000, at a redemption price equal to the principal amount plus accrued interest on March 2, 2013. The 2004 Bonds were issued upon and are secured by the unpaid Assessments levied on property in Benefit Area No. 1 of Assessment District No. 2003-01, pursuant a Bond Indenture dated as of May 1, 2004, by and between the City and BNY Western Trust Company. The 2005A Bonds were issued upon and are secured by the unpaid Assessments levied on property in Assessment District No. 2002-01, pursuant a Bond Indenture dated as of February 1, 2005, by and between the City and The Bank of New York Trust Company, N.A.

Pursuant to the Indenture, the City will deliver a portion of the proceeds of the Bonds to the Trustee to transfer to the Escrow Agent for deposit in a separate escrow fund established for each of the Prior Bonds (collectively, the “Escrow Funds”) established under the Escrow Agreement, dated as of January 1, 2013, by and between the City and the Escrow Agent (the “Escrow Agreement”). Moneys on deposit in the Escrow Funds will be applied to acquire the federal securities set forth in the Escrow Agreement, which, together with certain funds held as cash, will be used to pay on March 2, 2013 the redemption price of the Prior Bonds, together with accrued interest through the date of redemption. The moneys on deposit in the Escrow Funds and such other funds held as cash that together will be used as described in the immediately preceding sentence, will be sufficient in the opinion of Grant Thornton LLP, Minneapolis, Minnesota, the Verification Agent, to provide for the defeasance and redemption on March 2, 2013 of the Prior Bonds. All moneys and securities on deposit in the Escrow Funds will be irrevocably pledged to secure, when due, the payment of the principal of, interest and any premium due with respect to the Prior Bonds.

As a result of the deposit and investment of funds under the Escrow Agreement, all of the City’s obligations with respect to the Prior Bonds, including the pledge of unpaid Assessments which secure the City’s obligations with respect to the Prior Bonds, will be fully discharged upon the execution and delivery of the Bonds.

Estimated Sources and Uses of Funds

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

| | |
|---------------------------------------|-------------------------|
| SOURCES: | |
| Par Amount of Bonds | \$31,300,000.00 |
| Plus Net Original Issue Premium | 446,610.20 |
| Plus Available Funds ⁽¹⁾ | 10,717,358.38 |
| Less Underwriter’s Discount | <u>(300,831.67)</u> |
| Total Sources | <u>\$42,163,136.91</u> |
| USES: | |
| AD 2002-01 Escrow Fund | \$ 29,345,946.25 |
| AD 2003-01 Escrow Fund | 10,453,598.75 |
| Debt Service Reserve Fund | 2,161,257.52 |
| Costs of Issuance Fund ⁽²⁾ | <u>202,334.39</u> |
| Total Uses | <u>\$ 42,163,136.91</u> |

⁽¹⁾ Includes fiscal year 2012-13 Assessment Installments collected as of January 17, 2013, reserve funds of the Prior Bonds, surplus construction funds and other funds on hand.

⁽²⁾ Includes costs of issuance, such as Trustee, Bond Counsel and Disclosure Counsel fees and costs, printing costs and other related costs for the issuance of Bonds, reimbursable expenses of the City and certain upfront design and engineering costs.

THE BONDS

General

The \$31,300,000 aggregate principal amount of the Bonds was authorized for issuance by a resolution adopted by the City Council of the City and are being issued by the City pursuant to the Act and the Indenture between the City and the Trustee.

The Bonds will be dated their date of delivery and mature on September 2 in the years and in the amounts shown on the inside cover page of this Official Statement. Interest shall be payable on September 2,

2013, and semiannually thereafter on March 2 and September 2 of each year until maturity. The Bonds are issued as fully registered bonds, in integral multiples of \$5,000.

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

Interest on the Bonds is payable by the Trustee on each Interest Payment Date, until the principal amount of a Bond has been paid or made available for payment, to the registered Owner thereof at such registered Owner’s address as it appears on the registration books maintained by the Trustee at the close of the Business Day on the Record Date preceding the Interest Payment Date. The Bonds will be held in book-entry form and registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), all interest payments will be made directly to DTC for distribution to the beneficial owners in accordance with DTC’s procedures. See APPENDIX E — “BOOK-ENTRY ONLY SYSTEM”.

Redemption of Bonds

Mandatory Redemption From Reassessment Prepayments. The Bonds shall be subject to mandatory redemption, in whole or in part as selected by the Treasurer pursuant to Section 8768 of the California Streets and Highways Code, on any Interest Payment Date, from and to the extent of any prepayment of Reassessments, at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

| <i>Redemption Date</i> | <i>Redemption Prices</i> |
|---|--------------------------|
| September 2, 2013 through March 2, 2020 | 103% |
| September 2, 2020 through March 2, 2021 | 102 |
| September 2, 2021 through March 2, 2022 | 101 |
| September 2, 2022 and thereafter | 100 |

Optional Redemption of Bonds from Other Funds, Excluding Reassessment Prepayments. The Bonds are subject to redemption prior to their stated maturity dates on any Interest Payment Date on or after September 2, 2022, as selected by the City, from any source of funds other than prepayment of Reassessments, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing on September 2, 2035 shall be subject to mandatory sinking fund redemption prior to maturity, in part, on September 2, 2033, and on each September 2 thereafter, from sinking fund payments, at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest to the date of redemption, without premium, as follows:

2035 Term Bond

| <i>Redemption Date (September 2)</i> | <i>Redemption Amount</i> |
|--|------------------------------|
| 2033 | \$1,885,000 |
| 2034 | 1,980,000 |
| 2035 (maturity) | 1,425,000 |

Purchase of Bonds

In lieu of payment at maturity or redemption, moneys in the Redemption Fund may be used and withdrawn by the Trustee for purchase of outstanding Bonds, upon the filing with the Trustee of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus the premium, if any, which would be paid upon redemption, plus interest accrued to the date of purchase.

Notice of Redemption

With respect to the Bonds held in book-entry form, notices of redemption will be mailed only to The Depository Trust Company and not to any beneficial owner of the Bonds.

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

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

Selection of Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the City shall select the Bonds for redemption in such a way that the ratio of Outstanding Bonds to issued Bonds shall be approximately the same in each maturity of the Bonds insofar as possible. The Trustee shall select the particular Bonds to be redeemed from each maturity by lot.

Registration, Exchange or Transfer

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

Bonds may be exchanged at the office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Trustee will not charge the Owner for any new Bond issued upon any exchange or transfer, but shall require the Owner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any exchange or transfer shall be paid by the City as Administrative Expenses. Whenever any Bond or Bonds shall be surrendered for registration of transfer or exchange, the City shall execute, and the Trustee shall authenticate and deliver, a new Bond or Bonds of the same maturity for a like aggregate principal amount; provided, that the Trustee shall not be required to register transfers or make exchanges of Bonds (a) 15 days prior to the date established by the Trustee for selection of Bonds for redemption, or (b) with respect to a Bond after such Bond has been selected for redemption.

Annual Debt Service

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

TABLE 1
CITY OF CARLSBAD
REASSESSMENT DISTRICT NO. 2012-1
LIMITED OBLIGATION REFUNDING BONDS

Annual Debt Service

| <i>Year Ending September 2</i> | <i>Principal</i> | <i>Interest</i> | <i>Total</i> |
|------------------------------------|----------------------|-------------------------|-------------------------|
| 2013 | \$ 0 | \$ 690,388.31 | \$ 690,388.31 |
| 2014 | 1,805,000 | 1,172,357.52 | 2,977,357.52 |
| 2015 | 1,025,000 | 1,136,257.52 | 2,161,257.52 |
| 2016 | 1,045,000 | 1,135,757.52 | 2,160,757.52 |
| 2017 | 1,065,000 | 1,104,407.52 | 2,149,407.52 |
| 2018 | 1,095,000 | 1,082,457.52 | 2,147,457.52 |
| 2019 | 1,130,000 | 1,054,607.52 | 2,149,607.52 |
| 2020 | 1,160,000 | 1,015,707.52 | 2,145,707.52 |
| 2021 | 1,195,000 | 985,907.52 | 2,145,907.52 |
| 2022 | 1,235,000 | 953,265.02 | 2,148,265.02 |
| 2023 | 1,280,000 | 916,583.76 | 2,151,583.76 |
| 2024 | 1,325,000 | 871,143.76 | 2,151,143.76 |
| 2025 | 1,375,000 | 827,118.76 | 2,152,118.76 |
| 2026 | 1,425,000 | 774,868.76 | 2,149,868.76 |
| 2027 | 1,480,000 | 724,293.76 | 2,149,293.76 |
| 2028 | 1,545,000 | 675,093.76 | 2,155,093.76 |
| 2029 | 1,605,000 | 608,293.76 | 2,153,293.76 |
| 2030 | 1,670,000 | 547,087.50 | 2,152,087.50 |
| 2031 | 1,740,000 | 483,200.00 | 2,153,200.00 |
| 2032 | 1,810,000 | 411,425.00 | 2,151,425.00 |
| 2033 | 1,885,000 | 264,500.00 | 2,149,500.00 |
| 2034 | 1,980,000 | 170,250.00 | 2,150,250.00 |
| 2035 | 1,425,000 | 71,250.00 | 1,496,250.00 |
| Total | <u>\$ 31,300,000</u> | <u>\$ 17,676,222.31</u> | <u>\$ 48,191,222.31</u> |

Source: Underwriter.

SECURITY FOR THE BONDS

Limited Obligation

The obligation of the City relating to the Bonds is not a general obligation of the City, but is a limited obligation, payable solely from the Reassessments and Assessments and from the funds pledged under the Indenture. Neither the faith and credit nor the taxing power of the City, the County or the State of California, or any of its political subdivisions, is pledged to the payment of the Bonds. **Notwithstanding any other provision of the Indenture, the City is not obligated to advance available surplus funds from the City treasury to cure any deficiency in the Redemption Fund.**

Reassessment Liens and Installments

The Bonds are issued upon and secured by and payable solely from the unpaid Reassessments on parcels of property within the Reassessment District together with accrued interest, and such unpaid Reassessments, together with accrued interest, constitute a fund for the redemption and payment of the principal of the Bonds and related interest and premium, if any. The Bonds will also be initially secured by a pledge and lien on the Assessments levied within the Prior Assessment Districts in fiscal year 2012-13 which have not been collected as of the date of delivery of the Bonds. In addition, all of the Bonds are secured by the moneys in the Reassessment Fund, the Redemption Fund and the Reserve Fund created pursuant to the Indenture. Principal of and interest on the Bonds are payable exclusively from the Redemption Fund.

Although the unpaid Reassessments and Assessments constitute fixed liens on the lots and parcels assessed, they do not constitute a personal indebtedness of the respective owners of such lots and parcels. There can be no assurance as to the ability or the willingness of such owners to pay the unpaid Reassessments and Assessments when due. See “BONDOWNERS’ RISKS”.

The unpaid Reassessments and Assessments will be collected in annual installments, together with interest, on the County secured tax roll on which general taxes on real property are collected (the “Reassessment Installments”). The City will include in the annual installments an amount for the payment of administrative expenses in the amount set forth in the Reassessment Report; such amounts are not available to pay debt service on the Bonds. The Reassessment Installments are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general property taxes. The properties upon which the Reassessments and Assessments are levied are subject to the same provisions for sale and redemption as are properties for nonpayment of general taxes. The annual Reassessment Installments are to be paid to the City and transferred by the City to the Trustee with instructions to deposit the balance remaining after the deposit of amounts into the Administrative Expense Fund held by the City to pay administrative expenses into the Reassessment Fund. The Trustee is to transfer amounts in the Reassessment Fund into the Redemption Fund held by the Trustee to pay the principal of and interest on the Bonds as they become due.

The Reassessment Installments billed against each of the lots and parcels in the Reassessment District each year represent a pro rata share of the total principal and interest coming due on all of the Bonds that year (other than the Assessment installments which remain unpaid as of the date of delivery of the Bonds which represented a pro rata share of the total principal and interest coming due of the Prior Bonds in fiscal year 2012-13). The amount billed against each lot or parcel is based on the percentage which the unpaid Reassessment against the property bears to the total of unpaid Reassessments in the Reassessment District. The failure of a property owner to pay an annual Reassessment Installment will not result in an increase in Reassessment Installments against other property in the Reassessment District.

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

Limited Obligation Upon Delinquency

THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY AND ARE PAYABLE SOLELY FROM THE REASSESSMENTS AND THE ASSETS PLEDGED THEREFOR UNDER THE INDENTURE. THE CITY HAS DETERMINED NOT TO OBLIGATE ITSELF AND HAS NO LEGAL OR MORAL OBLIGATION TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO PAY BOND DEBT SERVICE IN THE EVENT OF DELINQUENT REASSESSMENT INSTALLMENTS. BONDOWNERS SHOULD NOT RELY UPON THE CITY TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO THE REDEMPTION FUND. NOTWITHSTANDING THE FOREGOING,

THE CITY MAY, AT ITS SOLE OPTION AND IN ITS SOLE DISCRETION, ELECT TO ADVANCE SUCH FUNDS.

Reserve Fund

The Indenture provides that a Reserve Fund must be maintained and held by the Trustee in an amount equal to the Reserve Requirement. The Reserve Requirement means, on each September 2nd (the calculation date), the least of (i) 10% of the net proceeds derived from the sale of the Bonds, (ii) maximum annual debt service on the Outstanding Bonds; provided however that annual debt service for the period from September 3, 2013 to September 2, 2014 (“Bond Year 2014”) shall be excluded for the purposes of such calculation, or (iii) 125% of average annual debt service on the Outstanding Bonds, exclusive of Bond Year 2014 for purposes of such calculation. Moneys in the Reserve Fund shall be held for the benefit of the Owners of the Bonds as a reserve for the payment of the principal of and interest on the Bonds and shall be subject to a lien in favor of the Owners of the Bonds. See APPENDIX C — “SUMMARY OF INDENTURE.”

In the event a Reassessment is prepaid, in whole or in part, the City shall transfer such payment to the Trustee. The amount of each Reassessment prepaid shall be reduced by the amount the Trustee is required to transfer from the Reserve Fund for deposit in the Prepayment Account of the Redemption Fund. Under the Indenture the Trustee is to transfer the portion of the balance then in the Reserve Fund equal to the proportion that the Reassessment prepaid bears to the total of all Reassessments remaining unpaid as of such date. The City shall notify, or shall cause the Trustee to be notified of the amount so transferred. After each such transfer, the Reserve Requirement shall be reduced by the amount of the related transfer.

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

All amounts allocable to a particular parcel remaining in the Reserve Fund in the year in which the last Reassessment Installment with respect to such parcel becomes due and payable shall be credited toward said last Reassessment Installment due with respect to such parcel as set forth below:

On or about July 1 of each year, the City shall cause a preliminary calculation to be made of the amount then on deposit in the Reserve Fund anticipated to be transferred to the Redemption Fund on the immediately succeeding September 1 (in the then current calendar year), and the amount anticipated to be remaining on deposit in the Reserve Fund as of such September 1. With respect to such anticipated remainder, the City shall determine the portion thereof anticipated to be available for transfer to the Redemption Fund on September 1 in the next calendar year (as a result of the payment of the principal component of Reassessments in the next calendar year) and shall determine, with respect to those parcels which will be in their final year of Reassessment in the next calendar year, the portion of such amount anticipated to be available for transfer to the Redemption Fund allocable to each such parcel. Such allocation shall be made pro rata, and shall equal the proportion that the principal amount of the Reassessment payable with respect to a particular parcel bears to the total of all principal amounts of Reassessments to be paid in such calendar year. Those parcels which would otherwise be in their final year of Reassessment shall be afforded a credit against the Reassessment that would otherwise have been levied in such year (or a credit in an earlier year if reduction of the Reserve Fund results in funds being available for such purposes at an earlier date), such credit to be based on such parcel’s pro rata portion of the moneys on deposit in the Reserve Fund anticipated to be available for transfer to the Redemption Fund on September 1 of the next calendar year, and such credit not in excess of such parcel’s pro rata portion of the Reserve Fund (equal to the proportion that the principal amount of the Reassessment payable with respect to such parcel bears to the total of all principal amounts of Reassessments remaining unpaid as of such date). The City shall then direct the Trustee, pursuant to a Written Request of the City, to

transfer from the Reserve Fund to the Redemption Fund, the amount specified in such Written Request for such transfer, such transfer to occur on or about September 1 of the current calendar year (e.g., a report filed during July 2034, will specify the amount to be transferred on September 1, 2034 for payment of debt service of the Bonds on September 2, 2034).

If at any time the amount of interest earned by the investment of any portion of the Reserve Fund, together with the principal amount in the Reserve Fund, shall exceed the Reserve Requirement, such excess shall be transferred by the Trustee to the Reassessment Fund each March 1 and September 1. See APPENDIX C — “SUMMARY OF INDENTURE.”

Whenever the balance in the Reserve Fund, the Reassessment Fund and the Redemption Fund is sufficient to retire all the remaining outstanding Bonds, the Trustee shall transfer at the written direction of the City the balance in the Reserve Fund to the Redemption Fund and the the City shall cease the collection of the principal and interest on the unpaid Reassessments. In such case, the City shall credit the balance so transferred against the Reassessments remaining unpaid in the manner set forth in the Act.

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

Covenant to Foreclose and Court Foreclosure Proceedings

The 1913 Act provides that in the event any assessment or installment thereof or any interest thereon is not paid when due, the City may order the institution of a court action to foreclose the lien of the unpaid assessment. In such an action, the real property subject to the unpaid assessment may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. However, pursuant to the Indenture, the City will covenant for the benefit of the Bondowners that it will determine no later than August 15 of each fiscal year in which Bonds are outstanding, whether or not any owners of the real property within the Reassessment District are delinquent in the payment of Reassessment Installments. Thereafter, the City will commence judicial foreclosure proceedings no later than November 1 of any year (i) against parcels with aggregate delinquent Reassessment Installments (including prior years) of \$10,000 or more following the close of the fiscal year in which such Reassessment Installments were due, (ii) against parcels owned by any single owner with delinquent Reassessment Installments in the aggregate amount (including prior years) of \$10,000 or more, and (iii) against all parcels with delinquent Reassessment Installments regardless of the delinquent amount during any period in which the amount on deposit in the Reserve Fund is less than the Reserve Requirement.

The 1913 Act provides that the court in a foreclosure proceeding has the power to order property securing delinquent Reassessment Installments to be sold for an amount not less than all Reassessment Installments, interest, penalties, costs, fees, and other charges that are delinquent at the time the foreclosure action is ordered, and certain other fees and amounts as provided therein (the “Minimum Price”). The court may also include subsequent delinquent Reassessment Installments and all other delinquent amounts.

The City may, at its discretion, but is not required to, become the purchaser of any property sold in a foreclosure proceeding. If the City becomes the purchaser, it shall pay into the Redemption Fund an amount necessary to satisfy the judgment, less any advances by the City to cover delinquent Reassessment Installments plus simple interest on such net amount, at the interest rates borne by the Bonds, from the dates of delinquency. Unless such property is subsequently resold, the City must transfer to the Redemption Fund any future Reassessment Installments pending redemption. The City may thereupon be reimbursed for any amount advanced from the City to the Redemption Fund to cover such future Reassessment Installments with respect to the property so sold from the proceeds of such sale.

If the property is sold to a purchaser other than the City, the City shall deposit the proceeds from the sale of the property into the Redemption Fund. From such amount, the City shall reimburse the Reserve Fund the amount, if any, of funds advanced from the Reserve Fund to the Redemption Fund to cover the delinquent Reassessment Installments with respect to the property which is sold. After reimbursement of the Reserve Fund, the City may be reimbursed for any other amounts advanced from it to the Redemption Fund to cover delinquent Reassessment Installments and interest with respect to the property sold in such proceedings. Any funds in excess of the amount necessary to reimburse the City may be applied by the City to pay interest and penalties, costs, fees and other charges, to the extent they were included in the sales proceeds.

If the property to be sold fails to sell for the Minimum Price, the City may petition the court to modify the judgment so that the property may be sold at a lesser price or without a Minimum Price. Notice of the hearing on such petition must be given to all Bondowners. In certain circumstances, the court may modify the judgment after the hearing to permit the sale of the property at a price lower than the Minimum Price if the court makes certain determinations, including determinations that the sale at less than the Minimum Price will not result in an ultimate loss to Bondowners or that Bondowners of at least 75% of the principal amount of Bonds outstanding have consented to the petition and certain other circumstances described in the statute exist. Neither the property owner nor any holder of a security interest in the property nor any defendant in the foreclosure action may purchase the property at the foreclosure sale for less than the Minimum Price.

A period of 120 days must elapse after the date notice of levy of the interest in real property is served on the judgment debtor before the sale of such lot or parcel with more than 4 dwelling units can be made. However, pursuant to Streets and Highways Code Section 8832, the 120 day period may be shortened to 20 days for parcels with not more than 4 dwelling units. If the judgment debtor fails to redeem, and if the purchaser at the sale is the judgment creditor (e.g., the City), an action may be commenced by the delinquent property owner within 90 days after the date of sale to set aside such sale. The constitutionality of the repeal of the one year redemption period has not been tested; and there can be no assurance that, if tested, such legislation will be upheld.

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

Priority of Reassessment Lien

The Reassessments (and any further assessment or reassessment) including each installment thereof and any related interest and penalties constitute a lien against the lots and parcels of land on which they were imposed until paid. Such lien has priority over all fixed special assessment liens which may thereafter be created against the property, and also has priority over all private liens, including the lien of any mortgage or deed of trust whenever created. Such lien is co-equal to and independent of the lien for general taxes and special taxes. See “THE REASSESSMENT DISTRICT — Direct and Overlapping Indebtedness” and “BONDOWNERS’ RISKS — FDIC/Federal Government Interests in Parcels.”

No Additional Bonds

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

Maximum Annual Reassessment for Administrative Costs and Expenses

The costs associated with administering the Reassessment District will be spread to each parcel in the Reassessment District with unpaid Reassessments on a pro-rata basis. Administrative costs for the

Reassessment District cannot exceed 5% of the total annual Reassessments per individual Reassessment parcel collected each year.

THE REASSESSMENT DISTRICT

Description of the Reassessment District

The Reassessment District includes all of the property within Assessment District No. 2002-01 and Benefit Area No. 1 of Assessment District No. 2003-01 with the exception of 3 parcels for which the Assessments levied against them have been prepaid. The Reassessment District encompasses 2,020 parcels consisting of 1,482 parcels for single family detached homes, 375 parcels for multi-family units, 85 commercial parcels, 26 industrial parcels, 4 other developed parcels, and 48 undeveloped parcels. Assessment District No. 2002-01 is located in the east central portion of the City, southeast of the McClellan-Palomar Airport.

Assessment District No. 2002-01 (Poinsettia Lane East)

Assessment District No. 2002-01 encompasses two master plans: the Bressi Ranch Master Plan and the La Costa Greens portion of the Villages of La Costa Master Plan. The Bressi Ranch Master Plan consists of 5 planning areas containing office, industrial, and warehouse uses, seven planning areas of single family detached homes, one hundred units of affordable multifamily apartments, a small commercial site housing a gas station/mini-mart, a mixed-use area containing commercial and community facilities, a recreational vehicle storage area, a private school, numerous open space areas, and a large "Village Green." The La Costa Greens is a residential development created to take advantage of the natural open space of the area. A pedestrian trail system links the individual neighborhoods and many homes have golf course and open space views.

Assessment District No. 2002-01 consists primarily of developed parcels, including 1,275 residential parcels, of which 1,152 are single family detached homes and 123 are multi-family units, 85 commercial parcels, 26 industrial parcels, 4 other parcels*, and 48 undeveloped parcels. Assessment District No. 2002-01 encompasses approximately 1,233 gross acres. The single family homes range in size from approximately 1,615 square feet in the Avellino community to approximately 6,219 square feet in the Magnolia Estates community. The multi-family units are income-restricted condominium homes ranging from 863 square feet to 1,121 square feet in the Mulberry community at Bressi Ranch.

Benefit Area No. 1 (Calavera Hills II) of Assessment District No. 2003-01 (College Boulevard and Cannon Road East)

Assessment District No. 2003-01 (College Boulevard and Cannon Road East) is located in the northern portion of the City, primarily along College Boulevard south of State Highway 78. Assessment District No. 2003-01 encompasses a portion of the Calavera Hills II Master Plan which features 19 residential villages, 1 community park, 2 school sites, 2 community facility sites, 1 recreational vehicle storage facility and large areas of open space corridors. Further, the Assessment District sits adjacent to the Lake Calavera Preserve; the largest of 13 city owned, dedicated, and managed nature preserves in Carlsbad. This area is popular with hikers, mountain bikers, and nature lovers. Many homes in the Assessment District have views of the Lake Calavera Preserve.

Benefit Area No. 1 of Assessment District No. 2003-01 (College Boulevard and Cannon Road East) is fully developed and consists of 582 residential parcels, of which 330 are single family detached homes and 252 are multi-family units. Benefit Area No. 1 of Assessment District No. 2003-01 encompasses approximately 302 gross acres. The single family homes range in size from approximately 1,643 square feet in the Ravinia

* Includes a school, church, mausoleum, and an association storage.

community to approximately 2,872 square feet in the Montaro community. The multi-family units consist of 46 triplex buildings and 19 six-plex buildings in the Mystic Point community.

Although Assessment District No. 2003-01 (College Boulevard and Cannon Road East) also encompassed Benefit Area No. 2, which includes the primarily residential Robertson Ranch East development, **assessments levied in Benefit Area No. 2, when and if levied, were not security for the 2004 Bonds, and are not security for the Bonds.**

Table 2 below summarizes the assessed values of the property within the Reassessment District for the current and previous fiscal years.

TABLE 2

**CITY OF CARLSBAD
REASSESSMENT DISTRICT NO. 2012-1
SUMMARY OF ASSESSED VALUES**

| Fiscal Year | Land Value(1) | Structure Value(1) | Total Assessed Value⁽¹⁾ |
|--------------------|----------------------|---------------------------|---|
| 2008-09 | \$868,385,611 | \$690,721,600 | \$1,559,107,211 |
| 2009-10 | 739,218,419 | 678,085,138 | 1,417,303,557 |
| 2010-11 | 714,926,303 | 694,254,413 | 1,409,180,716 |
| 2011-12 | 707,668,162 | 738,623,360 | 1,446,291,522 |
| 2012-13 | 690,841,891 | 746,757,406 | 1,437,599,297 |

⁽¹⁾ Assessed Value is based upon San Diego County secured roll information as of January 1 prior to each fiscal year.

Source: NBS

Direct and Overlapping Indebtedness

The ability of an owner of land within the Reassessment District to pay the Reassessment Installments could be affected by the existence of other taxes and assessments imposed upon the property. Those taxes and assessments that secure the repayment of overlapping debt in the Reassessment District are set forth by Assessment District in Tables 3-A and 3-B (together, the “Debt Report”). The Debt Report does not include the principal amount of the Bonds. The Debt Report has been derived from data assembled and reported to the City by California Municipal Statistics Inc. as of November 1, 2012. The Debt Report includes information for all parcels located within the Reassessment District, including those parcels which prepaid their Assessments or which had \$0 Assessments. Neither the City nor the Underwriter has independently verified the information in the Debt Report and they do not guarantee its completeness or accuracy.

TABLE 3-A

**CITY OF CARLSBAD
ASSESSMENT DISTRICT NO. 2002-01
(POINSETTIA LANE EAST)**

2012-13 Local Secured Assessed Valuation: \$1,194,737,265

| DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | Percent Applicable | Debt as of 11/1/2012 |
|---|-------------------------------|---------------------------------|
| Metropolitan Water District | 0.057% | \$ 112,031 |
| Palomar Community College District | 0.315 | 1,003,508 |
| Carlsbad Unified School District | 5.471 | 10,738,692 |
| San Marcos Unified School District | 1.917 | 3,968,995 |
| San Marcos Unified School District School Facilities Improvement District | 2.086 | 177,269 |
| City of Carlsbad Assessment District No. 2002-01 | 100.000 | 23,100,000⁽¹⁾ |
| San Marcos Unified School District Community Facilities District No. 4 | 32.779 | <u>7,078,625</u> |
| Total Direct And Overlapping Tax And Assessment Debt | | \$46,179,120 |

⁽¹⁾ To be refunded from proceeds of the Bonds.
Source: California Municipal Statistics, Inc.

TABLE 3-B

**CITY OF CARLSBAD
ASSESSMENT DISTRICT NO. 2003-01
(COLLEGE BOULEVARD AND CANNON ROAD EAST)
BENEFIT AREA NO. 1 (CALAVERA HILLS II)**

2012-13 Local Secured Assessed Valuation: \$242,862,032

| DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | Percent Applicable | Debt as of 11/1/2012 |
|---|-------------------------------|---------------------------------------|
| Metropolitan Water District | 0.012% | \$ 23,585 |
| Carlsbad Unified School District | 1.459 | 2,863,782 |
| City of Carlsbad Assessment District No. 2003-01 | 100.000 | <u>9,743,000⁽¹⁾</u> |
| Total Direct And Overlapping Tax And Assessment Debt | | \$12,630,367 |

⁽¹⁾ To be refunded from proceeds of the Bonds.
Source: California Municipal Statistics, Inc.

Value-to-Reassessment Lien Ratios

The value of the parcels within the Reassessment District with unpaid Reassessments is significant because in the event of a delinquency in the payment of Reassessment Installments, the Reassessment District may foreclose only against delinquent parcels. In fiscal year 2012-13, the assessed value of the property within the Reassessment District with unpaid Reassessments is \$1,437,599,297. Based on 2012-13 assessed values, the Reassessment District has an assessed value-to-reassessment lien ratio of 45.93 to 1 (exclusive of the unpaid Assessments for fiscal year 2012-13 and the overlapping liens shown in Tables 3-A and 3-B).

Table 4 below sets forth the assessed value-to-reassessment lien ratios for the parcels with unpaid Reassessments, excluding the overlapping liens shown in Tables 3-A and 3-B:

**TABLE 4
CITY OF CARLSBAD
REASSESSMENT DISTRICT NO. 2012-1
VALUE-TO-REASSESSMENT LIEN RATIOS BY ASSESSED VALUE**

| <i>Estimated Assessed Value to Reassessment Lien Ratio⁽¹⁾</i> | <i>No. of Parcels</i> | <i>Total Reassessment</i> | <i>% of the Total Reassessment</i> | <i>Total Assessed Value⁽²⁾</i> | <i>Average Value to Reassessment Lien Ratio⁽³⁾</i> |
|--|-----------------------|---------------------------|------------------------------------|---|---|
| 0.00 to 4.99:1 | 5 | \$ 84,435 | 0.27% | \$ 327,587 | 3.88 |
| 5.00 to 9.99:1 | 8 | 145,365 | 0.46 | 1,142,285 | 7.86 |
| 10.00 to 14.99:1 | 13 | 871,371 | 2.78 | 9,518,715 | 10.92 |
| 15.00 to 19.99:1 | 112 | 3,592,032 | 11.48 | 63,892,859 | 17.79 |
| 20.00 to 29.99:1 | 361 | 6,109,700 | 19.52 | 149,596,130 | 24.49 |
| Greater than 30:1 | <u>1,521</u> | <u>20,497,096</u> | <u>65.49</u> | <u>1,213,121,721</u> | <u>59.19</u> |
| Total | 2,020 | \$ 31,300,000 | 100.00 | \$ 1,437,599,297 | 45.93 |

⁽¹⁾ The numerator is the 2012-13 assessed value and the denominator equals the Reassessment amount of \$31,300,000.

⁽²⁾ Land and structure values. Assessed Value is based upon 2012-13 San Diego County secured roll information as of January 1, 2012.

⁽³⁾ Excludes the overlapping liens shown in Tables 3-A and 3-B and unpaid Assessments for fiscal year 2012-13.

Source: NBS

Table 5 below sets forth the Reassessments and assessed property value and value to Reassessment lien by property type.

**TABLE 5
CITY OF CARLSBAD
REASSESSMENT DISTRICT NO. 2012-1
VALUE-TO-REASSESSMENT LIEN BY PROPERTY TYPE**

| Category | No. of Parcels | 2012/13 Assessment Levy ⁽¹⁾ | Percentage of Total Levy | Land Value ⁽²⁾ | Structure Value ⁽²⁾ | Total Assessed Value ⁽²⁾ | Total Reassessments | Assessed Value-to- Reassessment Lien |
|----------------------|-------------------|--|--------------------------------|---------------------------|-----------------------------------|--|------------------------|---|
| Developed: | | | | | | | | |
| Single-Family | 1,482 | \$1,823,460 | 60.8% | \$462,718,597 | \$523,817,336 | \$986,535,933 | \$19,014,617 | 51.88 |
| Multi-Family | 375 | 409,355 | 13.6 | 71,468,719 | 65,919,741 | 137,388,460 | 4,443,136 | 30.92 |
| Commercial | 85 | 291,714 | 9.7 | 60,228,757 | 115,833,230 | 176,061,987 | 2,977,059 | 59.14 |
| Industrial | 26 | 65,989 | 2.2 | 14,985,540 | 25,820,292 | 40,805,832 | 672,107 | 60.71 |
| Other ⁽³⁾ | 4 | <u>75,382</u> | <u>2.5</u> | <u>15,553,081</u> | <u>15,264,807</u> | <u>30,817,888</u> | <u>770,535</u> | <u>40.00</u> |
| Total Developed: | 1,972 | \$2,665,900 | 88.8% | \$624,954,694 | \$746,655,406 | \$1,371,610,100 | \$27,877,454 | 49.20 |
| Undeveloped: | | | | | | | | |
| Single-Family | 25 | \$24,793 | 0.8% | \$8,458,181 | \$0 | \$8,458,181 | \$252,010 | 33.56 |
| Commercial | 1 | 5,152 | 0.2 | 510,000 | 102,000 | 612,000 | 52,534 | 11.65 |
| Industrial | <u>22</u> | <u>305,153</u> | <u>10.2</u> | <u>56,919,016</u> | <u>0</u> | <u>56,919,016</u> | <u>3,118,002</u> | <u>18.25</u> |
| Total Undeveloped: | 48 | \$335,097 | 11.2% | \$65,887,197 | \$0 | \$65,989,197 | \$3,422,546 | 19.28 |
| Total: | 2,020 | \$3,000,997 | 100.0% | \$690,841,891 | \$746,757,406 | \$1,437,599,297 | \$31,300,000 | 45.93 |

⁽¹⁾ Represents the combined 2012-13 assessment levy of the Prior Assessment Districts.

⁽²⁾ Assessed Value is based upon 2012-13 San Diego County secured roll information as of January 1, 2012.

⁽³⁾ Excludes the overlapping liens shown in Tables 3-A and 3-B and unpaid Assessments for fiscal year 2012-13.

Source: NBS

Delinquencies in the Reassessment District

As of December 10, 2012, 13 parcels within the Reassessment District with unpaid Reassessments had not paid either their first or second installment of property taxes and two additional parcels had not paid their second installment. Three of the parcels which have not paid either their first or second installment of property taxes are delinquent in their payment of fiscal year 2010-11 property taxes. The City does not participate in the County of San Diego Teeter Plan.

The following table sets forth a history of the assessments levied and delinquencies within the Prior Assessment Districts since fiscal year 2007-08.

TABLE 6
CITY OF CARLSBAD
REASSESSMENT DISTRICT NO. 2012-1
LEVIES AND DELINQUENCIES IN PRIOR ASSESSMENT DISTRICTS⁽¹⁾

| <i>Fiscal Year</i> | <i>Amount Levied</i> | <i>No. of Parcels Levied</i> | <i>Amount Delinquent as of June 30</i> | <i>Percentage Delinquent as of June 30</i> | <i>No. of Parcels Delinquent as of June 30</i> | <i>Amount Delinquent as of December 10, 2012</i> | <i>Percentage Delinquent as of December 10, 2012</i> | <i>No. of Parcels Delinquent as of December 10, 2012</i> |
|------------------------|----------------------|------------------------------|--|--|--|--|--|--|
| 2007-08 | \$3,004,525 | 1,818 | \$143,270 | 4.77% | 117 | \$ 0 | 0.00% | 0 |
| 2008-09 | 3,003,371 | 1,867 | 118,816 | 3.96 | 97 | 724 | 0.02 | 1 |
| 2009-10 | 3,014,695 | 1,880 | 95,625 | 3.17 | 82 | 726 | 0.02 | 1 |
| 2010-11 | 3,002,626 | 1,922 | 89,455 | 2.98 | 94 | 6,353 | 0.21 | 3 |
| 2011-12 | 2,997,671 | 1,990 | 38,660 | 1.29 | 32 | 17,589 | 0.59 | 18 |
| 2012-13 ⁽²⁾ | 1,500,499 | 2,020 | n/a | n/a | n/a | 37,624 | 2.51 | 56 |

⁽¹⁾ Represents the combined 2012-13 assessment levy of the Prior Assessment Districts for the years shown.

⁽²⁾ Reflects the December 10, 2012 payment installment only.

Source: NBS

Concentration of Ownership

As summarized in Table 7 below, no property owner within the Reassessment District currently owns parcels responsible for more than 6% of the Reassessment lien, and the ten largest property owners are responsible for approximately 19% of the Reassessment lien. See “BONDOWNERS’ RISKS – Concentration of Ownership”.

**TABLE 7
CITY OF CARLSBAD
REASSESSMENT DISTRICT NO. 2012-1
TOP 10 REASSESSMENT PAYERS**

| Owner | No. of Parcels | Description | 2012/13 Assessment Levy ⁽¹⁾ | Percentage of Total Levy | Total Assessed Value ⁽²⁾ | Total Reassessments | Value-to- Reassessment Lien Ratio ⁽³⁾ |
|---|-------------------|--|--|--------------------------------|---|------------------------|--|
| Slough Carlsbad LLC ⁽⁴⁾ | 12 | Vacant Industrial | \$ 152,257.40 | 5.07% | \$ 27,854,016 | \$ 1,555,575 | 17.91 |
| Regency Bressi LLC ⁽⁵⁾ | 7 | Commercial & Vacant Commercial | 126,404.22 | 4.21 | 56,066,170 | 1,291,925 | 43.40 |
| Pacific Ridge School | 1 | Private School | 66,893.02 | 2.23 | 27,600,139 | 684,130 | 40.34 |
| Palomar Airport Road LLC | 24 | Commercial, Industrial & Vacant Industrial | 54,965.98 | 1.83 | 15,942,000 | 560,816 | 28.43 |
| Pivotal 650 California St LLC | 4 | Vacant Industrial | 38,350.04 | 1.28 | 13,808,141 | 391,652 | 35.26 |
| Slater Place LP | 1 | Vacant Industrial | 29,594.34 | 0.99 | 3,075,734 | 302,576 | 10.17 |
| Moderna Del Mar LLC | 2 | Commercial | 26,800.52 | 0.89 | 12,400,000 | 273,832 | 45.28 |
| Taylor Morrison of California LLC | 30 | Single-Family Homes & Vacant Residential | 26,242.20 | 0.87 | 18,185,400 | 266,742 | 68.18 |
| Bressi Development LLC | 1 | Commercial | 23,847.90 | 0.79 | 8,194,260 | 243,792 | 33.61 |
| ECR Corporate Center LP | 1 | Commercial | 21,749.32 | 0.72 | 31,920,375 | 222,324 | 143.58 |
| Sub-Total Top 10 Reassessment Payers | 83 | | \$ 567,104.94 | 18.90% | \$215,046,235 | \$5,793,364 | 37.12 |
| All Other Reassessment Payers | 1,937 | | \$2,433,892.28 | 81.10% | \$1,222,553,062 | \$25,506,636 | 47.93 |
| Total Reassessment Payers | 2,020 | | \$3,000,997.22 | 100.00% | \$1,437,599,297 | \$31,300,000 | 45.93 |

⁽¹⁾ Represents the combined fiscal year 2012-13 assessment levy of the prior assessment districts.

⁽²⁾ Assessed Value is based upon fiscal year 2012-13 San Diego County secured roll information as of January 1, 2012.

⁽³⁾ Excludes the overlapping liens shown in Tables 3-A and 3-B and unpaid Assessments for fiscal year 2012-13.

⁽⁴⁾ Slough Carlsbad, LLC has received discretionary approvals for the development of industrial buildings consisting of 6 two-story buildings ranging from 45,000 – 56,000 square feet with a total ground floor area of 300,000 square feet and 8 two-story office/industrial building totaling approximately 390,000 square feet, a parking deck, and 24,243 square feet of employee eating area.

⁽⁵⁾ Regency Bressi, LLC owns 7 industrial parcels in the Bressi Ranch Village Center. Bressi Ranch Village Center feature a mix of shops, services, restaurants, and eateries anchored by two markets. Businesses located on these parcels include two grocery stores, a Stater Brothers store and Trader Joe’s, multiple dining and specialty food offerings, including Tommy V’s Urban Kitchen & Bar, Peet’s Coffee & Tea, Board & Brew, Luna Grill, Rubio’s Fresh Mexican Grill, Souplantation Express, and shops such as Unleashed by Petco and Perfectly at Home, medical facilities such as Carlsbad Optometry and Gateway Dental, and services including 4G Verizon Wireless, Postal Annex, Premiere Cleaners, Reform Yoga and Twig Hair Lounge.

Source: NBS

Tax Rates

Property tax rates for single family residences in Assessment District No. 2002-01 range from approximately 1.31% to 1.70%. Property tax rates for single family residences in Benefit Area No. 1 of Assessment District No. 2003-01 range from approximately 1.54% to 1.82%.

BONDOWNERS' RISKS

General

In order to pay debt service on the Bonds, it is necessary that unpaid Reassessment Installments on parcels within the City are paid in a timely manner. The Reserve Fund will be used to pay debt service on the Bonds if delinquent Reassessment Installments should occur. The Reassessments are a lien on the parcels of land and the City has covenanted to institute foreclosure proceedings under certain circumstances against parcels with delinquent Reassessment Installments.

Failure by owners of the parcels to pay Reassessment Installments when due, depletion of the Reserve Fund or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent Reassessment Installments for such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds, and Bondowners would therefore be adversely affected.

The 1915 Act provides that except under certain circumstances property is to be sold upon foreclosure at a Minimum Price. "Minimum Price" as defined in the 1915 Act is the amount equal to the delinquent installments of principal or interest of the reassessment or assessment, together with all interest penalties, costs, fees, charges and other amounts more fully detailed in the 1915 Act. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than the Minimum Price will not result in an ultimate loss to the Bondowners or, under certain circumstances, if owners of 75% or more of the outstanding Bonds consent to such sale. There can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Fund and a delay in payments of debt service on the Bonds. See "SECURITY FOR THE BONDS — Covenant to Foreclose and Court Foreclosure Proceedings."

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

Concentration of Ownership

Based upon development status and ownership as of the January 1, 2012 lien date, it is estimated that ten property owners within the Reassessment District would be responsible for approximately 19% of the Reassessments. Several of the properties owned by such property owners are either vacant or under construction. The level of concentration in the obligation to pay the Reassessments represents a risk to Bondowners. The receipt of the Reassessments is dependent on the willingness and the ability of the landowners to pay the Reassessments when due, which could be adversely affected by the landowners' inability to lease and sell property within the Reassessment District due to commercial downturns, high vacancy rates or downturns in the residential or commercial markets. Failure of the landowners, or any successor, to pay the annual levies of Reassessments when due could result in a default in payments of the principal of, and interest on, the Bonds, when due. The only assets of landowners within the Reassessment District which constitute security for the payment of Reassessments is the landowners' respective real property holdings located within the Reassessment District and subject to the reassessment. See "SECURITY FOR THE BONDS — Covenant to Foreclose and Court Foreclosure Proceedings".

The concentration of ownership will change over time as the Reassessments levied on property in Benefit Area No. 1 of Assessment District No. 2003-01 cease after September 2, 2034. After September 2, 2034, the Bonds maturing on September 2, 2035 will be secured solely by property in Assessment District No. 2002-01. The ten largest property owners in Assessment District No. 2002-01 are the same as the those shown for the Reassessment District as a whole in Table 7. However, whereas the Reassessments to be levied upon these property owners constitute 18.90% of the total Reassessments to be levied in the Reassessment District, such Reassessments constitute 26.31% of the total Reassessments to be levied in Assessment District No. 2002-01.

Delinquency Resulting in Ultimate or Temporary Loss on Bonds

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

Non-Cash Payments of Reassessments

The 1915 Act may permit the owner of a parcel that is subject to an unpaid Reassessment Installment to tender any Bond secured by such Reassessment in payment or partial payment of any installment of the Reassessment or interest or penalties thereon which may be due or payable. A Bond so tendered is to be accepted at the par amount thereof and credit is to be given for any interest thereon accrued to the date of the tender. Thus, if Bonds can be purchased at a discount, it may be to the advantage of a property owner to pay amounts due with respect to an assessment by tendering a Bond. Such a practice would decrease the cash flow available to the City to make payments with respect to other Bonds then outstanding and could result in a default in payment on the Bonds.

Limited City Obligation Upon Delinquency

Pursuant to the 1915 Act, the City has elected not to be obligated to advance funds from the treasury of the City for delinquent Reassessment Installments. The only obligation of the City with respect to such delinquencies and the consequent deficiencies in the Redemption Fund is to advance money to the Redemption Fund from the Reserve Fund. The City has no obligation to replenish the Reserve Fund except to the extent that delinquent Reassessment Installments are paid or proceeds from foreclosure sales are realized. There is no assurance that the balance in the Reserve Fund will always be adequate to pay all delinquent Reassessment Installments and if during the period of delinquency there are insufficient funds in the Reserve Fund, a delay may occur in payments to the Bondowners.

Land Values

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

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

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

Bankruptcy and Foreclosure

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

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

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

FDIC/Federal Government Interests in Parcels

The ability of the City to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Reassessment Installments may be limited in certain respects with regard to parcels in which the Federal Deposit Insurance Corporation (the “FDIC”) has or obtains an interest. Specifically, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Reassessment Installment is not paid, the remedies available to the City may be constrained. The FDIC’s policy statement regarding the payment of state and local real property taxes (the “Policy Statement”) provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes.

If a parcel with unpaid Reassessments within the Reassessment District is owned by a federal governmental entity, or a private deed of trust secured by a parcel with unpaid Reassessments within the Reassessment District is owned by a federal governmental entity, the ability to foreclose on the parcel to

collect delinquent Reassessments may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel with unpaid Reassessments within the Reassessment District but does not pay taxes and assessments levied on the parcel (including Reassessments), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the City wishes to foreclose on the parcel as a result of delinquent Reassessments, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Reassessments and preserve the federal government's mortgage interest. In Rust v. Johnson (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("FNMA") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

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

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

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to a portion of the parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

Natural Disasters

The Reassessment District, like many California communities, may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads and property within the Reassessment District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. The City is located in an area of high fire risk. Significant wildfires have burned portions of the City in recent years including property adjacent to the Reassessment District. Risk of wildfire is significant for all property within the Reassessment District.

The most likely potential earthquake risk for property in Reassessment District is from the Rose Canyon fault. Earthquakes from this source are expected to have a potential for seismic ground shaking with a maximum credible magnitude of 7.0 and a maximum probable magnitude of 6.25. The "maximum credible earthquake" is defined as the maximum earthquake that appears capable of occurring under the presently known tectonic framework, while the "maximum probable earthquake" is the maximum earthquake that is considered likely to occur during a 100-year time interval.

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

reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Reassessment Installments.

Hazardous Substances

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

Loss of Tax Exemption

As discussed under the heading “CONCLUDING INFORMATION — Tax Matters,” interest on the Bonds could cease to be excluded from gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City. In addition, it is possible that future changes in applicable federal tax laws could cause interest on the Bonds to be included in gross income for federal income taxation or could otherwise reduce the equivalent taxable yield of such interest and thereby reduce the value of the Bonds.

Limited Secondary Market

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

Future Debt Issuance

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

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

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

Ballot Initiatives

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

Constitutional Amendment – Articles XIIIIC and XIIIID

An initiative measure commonly referred to as the “Right to Vote on Taxes Act” (the “Initiative”) was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIIIC (“Article XIIIIC”) and Article XIIIID (“Article XIIIID”) to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.”

Article XIIIID requires that, beginning July 1, 1997, the proceedings for the levy of any assessment by the City under the 1913 Act (including, if applicable, any increase in such assessment or any supplemental assessment under the 1913 Act) must be conducted in conformity with the provisions of Section 4 of Article XIIIID. The City completed its proceedings for the levy of assessments in the Reassessment District on January 8, 2013 after complying with the procedural requirements of Section 4 of Article XIIIID. Under Section 10400 of the 1913 Act, any challenge to the proceedings or the Reassessment must be brought within 30 days after the date the reassessment was levied.

Article XIIIIC removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Article XIIIIC does not define the term “assessment”, and it is unclear whether this term is intended to include assessments or reassessments levied under the Act. In the case of the unpaid Reassessments which are pledged as security for payment of the Bonds, the 1915 Act provides a mandatory, statutory duty of the City and the County Auditor to post Reassessment Installments on account of the unpaid Reassessments to the property tax roll of the County each year while any of the Bonds are outstanding, commencing with property tax year 2013-14, in amounts equal to the principal of and interest on the Bonds coming due in the succeeding calendar year plus certain administrative costs. It is unlikely that the initiative power can be used to reduce or repeal the unpaid Reassessments or Assessments which are pledged as security for payment of the Bonds or to otherwise interfere with performance of the mandatory, statutory duty of the City and the County Auditor with respect to the unpaid Reassessments and Assessments which are pledged as security for payment of the Bonds.

The interpretation and application of the Initiative has been and will continue to be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of any future determination.

CONCLUDING INFORMATION

Continuing Disclosure

The City has agreed to execute a Continuing Disclosure Agreement (the “Disclosure Agreement”) in connection with the delivery of the Bonds for the benefit of the Underwriter, holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the City no later than 270 days following the end of the City’s fiscal year (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events (the “Listed Events”). The Annual Reports will be filed on behalf of the City by The Bank of New York Mellon Trust Company, N.A. (the “Dissemination Agent”) with the Municipal Securities Rulemaking Board. Notices of Listed Events will be filed by the Dissemination Agent with the Municipal Securities Rulemaking Board. The specific nature of the information to be included in the Annual Report and the notices of Listed Events is set forth in APPENDIX F — “FORM OF CITY CONTINUING DISCLOSURE AGREEMENT.” The City has agreed to execute the Disclosure Agreement in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). See APPENDIX F — “FORM OF CONTINUING DISCLOSURE AGREEMENT.”

It should be noted that the City is required to file certain financial statements with the Annual Report. This requirement has been included in the Disclosure Agreement solely to satisfy the provisions of the Rule. The inclusion of this information does not mean that the Bonds are secured by any resources or property of the City other than the Reassessments and amounts pledged under the Indenture. See “BONDOWNERS’ RISKS — Limited City Obligation Upon Delinquency.” It should also be noted that the list of significant events which the City has agreed to report includes items related to credit enhancements and ratings. These items have been included in the list solely to satisfy the requirements of the Rule. The Bonds have not been assigned a credit rating and have no credit enhancement.

The City believes that it complied in all material respects with its continuing disclosure undertakings under the Rule in the past five years. However, for the filings to be made in 2008 and 2009, for one of the City’s transactions, it is uncertain whether or not the audited financial statements to be filed with the corresponding Annual Reports were properly filed with all the required nationally recognized municipal securities information repositories. In order ensure compliance with its continuing disclosure obligations, the City has made remedial filings on EMMA of these financial statements. The City believes it has existing procedures that will ensure future compliance with its continuing disclosure undertakings on a timely basis.

Legal Opinion

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

Certain legal matters will be passed upon for the City by the City Attorney and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation, San Francisco, California.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and

corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of such corporations.

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

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations and certifications made by the City and others and is subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements.

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

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of other similar bonds).

It is possible that subsequent to the execution and delivery of the Bonds, there might be federal, state or local statutory changes (or judicial or regulatory interpretations of federal, state or local law) that affect the federal, state or local tax treatment of the Reassessment Installments or the market value of the Bonds. legislative changes have been proposed in congress, which, if enacted, would result in additional federal income tax being imposed on certain owners of tax-exempt state or local obligations, such as the Bonds. The introduction or enactment of any of such changes could adversely affect the market value or liquidity of the Bonds. No assurance can be given that, subsequent to the execution and delivery of the Bonds, such changes (or other changes) will not be introduced or enacted or interpretations will not occur. Before purchasing any of the Bonds, all potential purchasers should consult their tax advisors regarding possible statutory changes or judicial or regulatory changes or interpretations, and their collateral tax consequences relating to the Bonds.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the Closing Date. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the

Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel has rendered opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the City continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

Litigation

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

Financial Interests

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

No Rating

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

Underwriting

The Bonds are being purchased by the Underwriter. The Underwriter has agreed to purchase the Bonds at a price of \$31,445,778.53 (aggregate principal amount of the Bonds, plus net original issue premium in the amount of \$446,610.20 and less an Underwriter's discount of \$300,831.67). The Bond Purchase Agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

Miscellaneous

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

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

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

CITY OF CARLSBAD

By: /s/ Chuck McBride
Finance Director

APPENDIX A
REASSESSMENT DIAGRAM

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REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT NO. 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK, CITY OF CARLSBAD, THIS _____ DAY OF _____, 20__.

CITY CLERK
CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

REASSESSMENTS WERE LEVIED BY THE CITY COUNCIL OF THE CITY OF CARLSBAD ON THE LOTS, PIECES AND PARCELS OF LAND SHOWN ON THIS REASSESSMENT DIAGRAM. SAID REASSESSMENTS WERE LEVIED ON THE _____ DAY OF _____, 20__, AND THE REASSESSMENT DIAGRAM AND THE REASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY OF CARLSBAD ON THE _____ DAY OF _____, 20__. REFERENCE IS HEREBY MADE TO THE REASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH REASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS REASSESSMENT DIAGRAM.

CITY CLERK
CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS THIS _____ DAY OF _____, 20__.

SUPERINTENDENT OF STREETS
CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

FILED THIS _____ DAY OF _____, 20__, AT THE HOUR OF _____ O'CLOCK _____ M., IN BOOK _____ AT PAGE(S) _____, DOCUMENT / INSTRUMENT NO. _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF SAN DIEGO, CALIFORNIA

BY: _____
RECORDER

BY: _____
DEPUTY

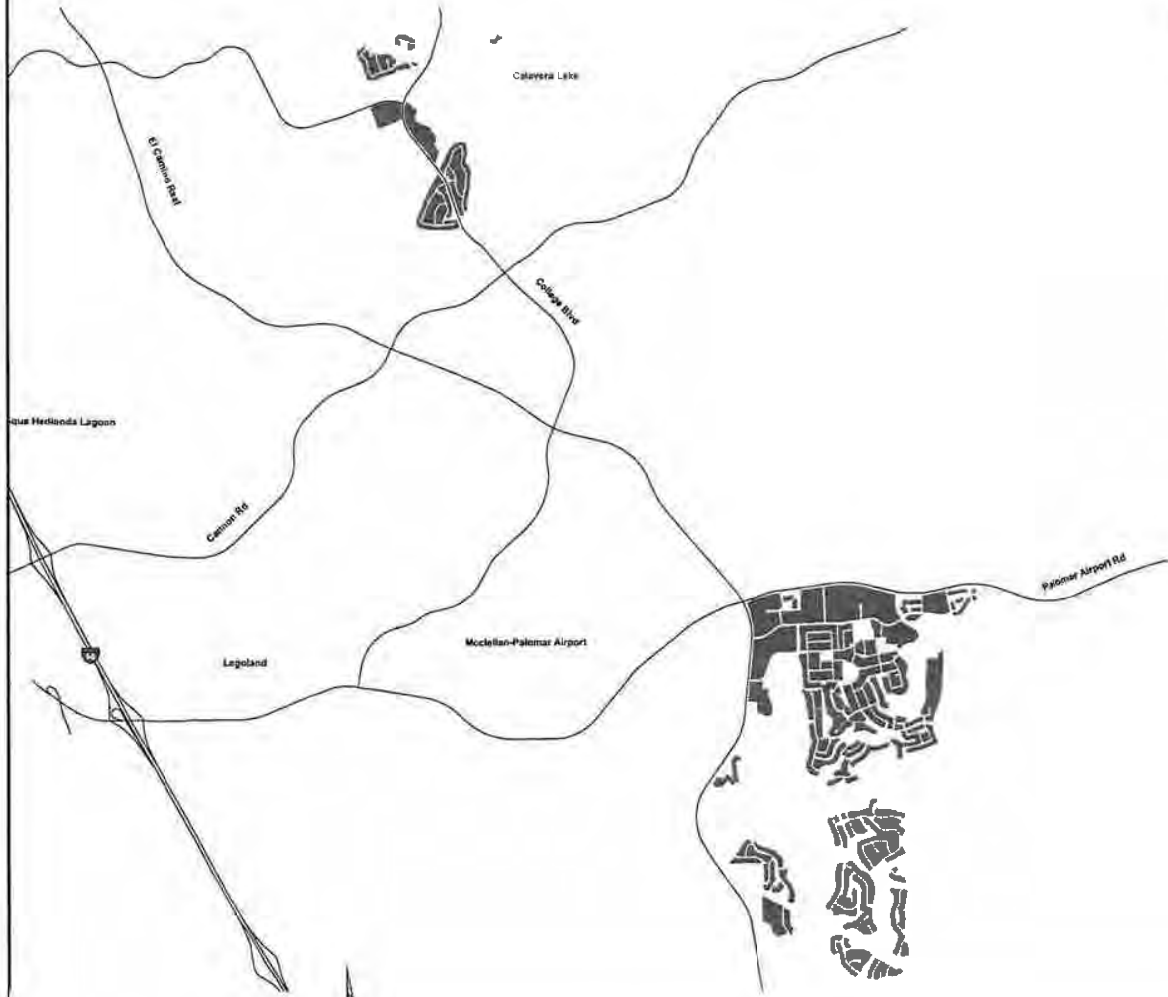
NOTES:

1. THIS REASSESSMENT DIAGRAM SUPERSEDES THE ASSESSMENTS SHOWN ON THE FOLLOWING: ASSESSMENT DISTRICT NO. 2002-01 (POINSETTIA LANE EAST), CITY OF CARLSBAD, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, WHICH WAS RECORDED THE 5TH DAY OF MAY, 2004, IN BOOK 38 AT PAGE 37, OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DOCUMENT NO. 2004-044650.

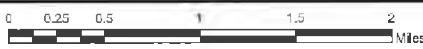
ASSESSMENT DISTRICT NO. 2003-01 (COLLEGE BOULEVARD AND CANNON ROAD EAST), BENEFIT AREA NO. 1 (CALAVRAS HILLS B) CITY OF CARLSBAD, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, WHICH WAS RECORDED THE 17TH DAY OF SEPTEMBER, 2003, IN BOOK 37 AT PAGE 18, OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DOCUMENT NO. 2003-1140382.

2. FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSORS PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR OF THE COUNTY OF SAN DIEGO.

A-1



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1014 S. Escondido Blvd., Suite 100, Escondido, CA 92026



Legend
[Shaded Box] Reassessment Parcels

REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT NO. 2012-1

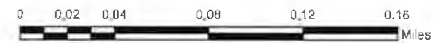
CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA



A-2



4337 Mendocino Street, Carlsbad, CA 92008
619.434.6600



Legend
 Reassessment Parcels

REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT NO. 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA



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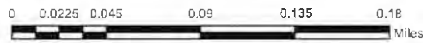
Reassessment Parcels

REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT NO. 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA



A-4



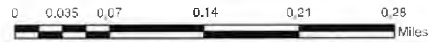
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 Reassessment Parcels

REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT NO. 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA



A-5



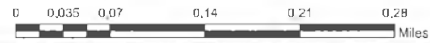
Legend
 Reassessment Parcels

REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT NO. 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA



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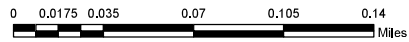
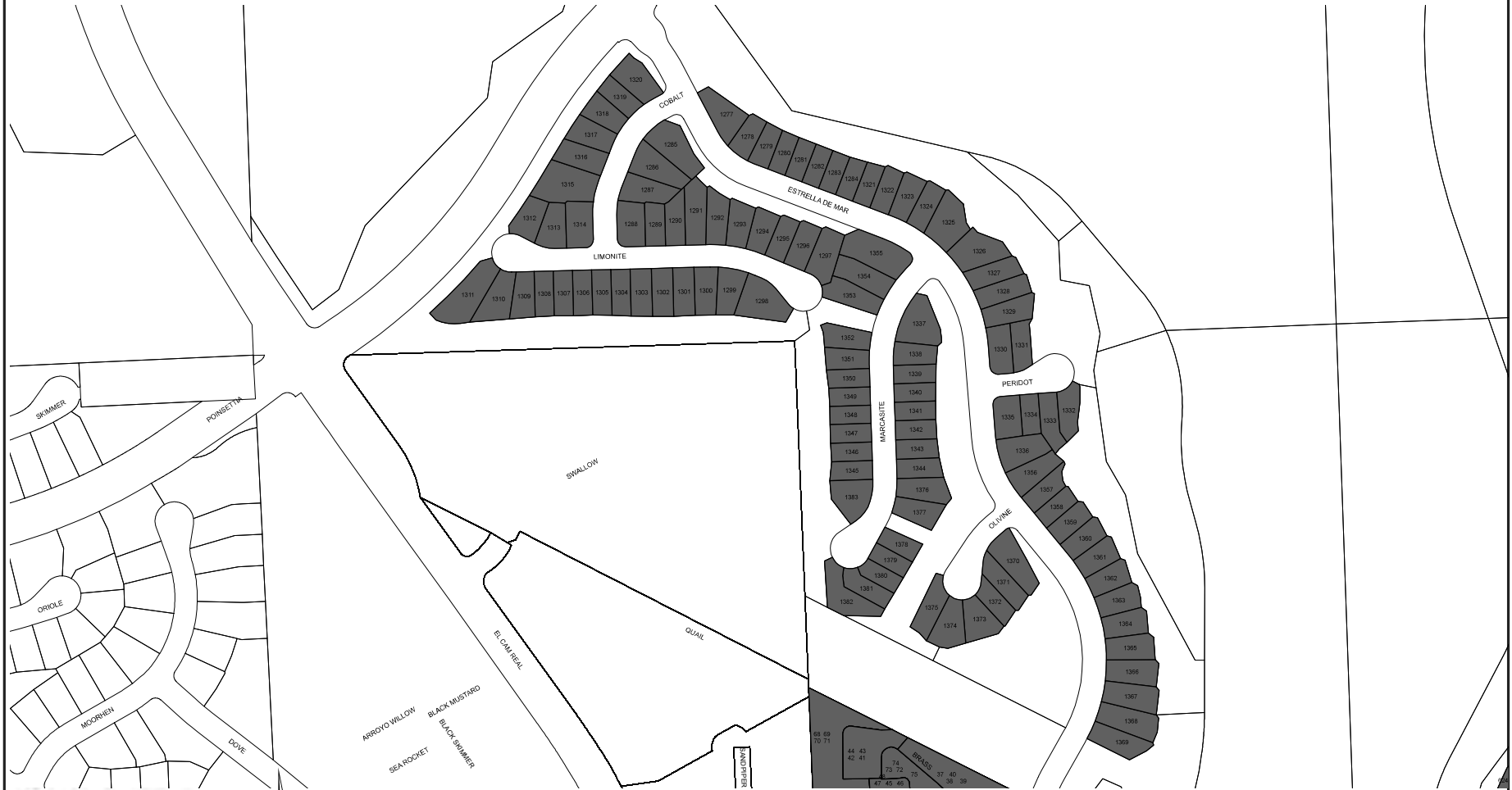


Legend
 Reassessment Parcels

REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT NO. 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

A-8

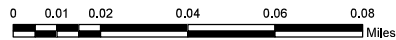


Legend
 Reassessment Parcels

REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT NO. 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

A-9



Legend
 Reassessment Parcels

REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

| Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN |
|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| 1 | 213-110-01-00 | 51 | 213-112-53-03 | 101 | 213-130-11-00 | 151 | 213-130-61-00 | 201 | 213-141-13-00 | 251 | 213-153-03-00 | 301 | 213-151-11-00 | 351 | 213-160-05-00 |
| 2 | 213-112-39-01 | 52 | 213-112-53-04 | 102 | 213-130-12-00 | 152 | 213-130-62-00 | 202 | 213-141-14-00 | 252 | 213-153-04-00 | 302 | 213-151-12-00 | 352 | 213-160-09-00 |
| 3 | 213-112-39-02 | 53 | 213-112-54-01 | 103 | 213-130-13-00 | 153 | 213-130-63-00 | 203 | 213-141-15-00 | 253 | 213-153-05-00 | 303 | 213-151-13-00 | 353 | 213-160-10-00 |
| 4 | 213-112-39-03 | 54 | 213-112-54-02 | 104 | 213-130-14-00 | 154 | 213-140-01-00 | 204 | 213-141-16-00 | 254 | 213-153-06-00 | 304 | 213-151-14-00 | 354 | 213-160-11-00 |
| 5 | 213-112-39-04 | 55 | 213-112-54-03 | 105 | 213-130-15-00 | 155 | 213-140-02-00 | 205 | 213-141-17-00 | 255 | 213-153-07-00 | 305 | 213-151-15-00 | 355 | 213-160-12-00 |
| 6 | 213-112-39-05 | 56 | 213-112-54-04 | 106 | 213-130-16-00 | 156 | 213-140-03-00 | 206 | 213-141-18-00 | 256 | 213-153-08-00 | 306 | 213-151-16-00 | 356 | 213-160-13-00 |
| 7 | 213-112-41-01 | 57 | 213-112-55-01 | 107 | 213-130-17-00 | 157 | 213-140-04-00 | 207 | 213-141-19-00 | 257 | 213-153-09-00 | 307 | 213-151-17-00 | 357 | 213-160-14-00 |
| 8 | 213-112-41-02 | 58 | 213-112-55-02 | 108 | 213-130-18-00 | 158 | 213-140-05-00 | 208 | 213-141-20-00 | 258 | 213-153-10-00 | 308 | 213-151-18-00 | 358 | 213-160-15-00 |
| 9 | 213-112-41-03 | 59 | 213-112-55-03 | 109 | 213-130-19-00 | 159 | 213-140-06-00 | 209 | 213-141-21-00 | 259 | 213-153-11-00 | 309 | 213-151-19-00 | 359 | 213-160-16-00 |
| 10 | 213-112-41-04 | 60 | 213-112-55-04 | 110 | 213-130-20-00 | 160 | 213-140-07-00 | 210 | 213-141-22-00 | 260 | 213-153-12-00 | 310 | 213-151-20-00 | 360 | 213-160-17-00 |
| 11 | 213-112-41-05 | 61 | 213-112-56-01 | 111 | 213-130-21-00 | 161 | 213-140-08-00 | 211 | 213-141-23-00 | 261 | 213-153-13-00 | 311 | 213-151-21-00 | 361 | 213-160-18-00 |
| 12 | 213-112-42-01 | 62 | 213-112-56-02 | 112 | 213-130-22-00 | 162 | 213-140-09-00 | 212 | 213-141-24-00 | 262 | 213-153-14-00 | 312 | 213-151-22-00 | 362 | 213-160-19-00 |
| 13 | 213-112-42-02 | 63 | 213-112-56-03 | 113 | 213-130-23-00 | 163 | 213-140-10-00 | 213 | 213-141-25-00 | 263 | 213-153-15-00 | 313 | 213-151-23-00 | 363 | 213-160-20-00 |
| 14 | 213-112-42-03 | 64 | 213-112-56-04 | 114 | 213-130-24-00 | 164 | 213-140-11-00 | 214 | 213-141-26-00 | 264 | 213-153-16-00 | 314 | 213-151-24-00 | 364 | 213-160-21-00 |
| 15 | 213-112-43-01 | 65 | 213-112-56-05 | 115 | 213-130-25-00 | 165 | 213-140-12-00 | 215 | 213-141-27-00 | 265 | 213-153-17-00 | 315 | 213-151-25-00 | 365 | 213-160-22-00 |
| 16 | 213-112-43-02 | 66 | 213-112-56-06 | 116 | 213-130-26-00 | 166 | 213-140-13-00 | 216 | 213-141-28-00 | 266 | 213-153-18-00 | 316 | 213-151-26-00 | 366 | 213-161-01-00 |
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| 18 | 213-112-43-04 | 68 | 213-112-51-01 | 118 | 213-130-28-00 | 168 | 213-140-15-00 | 218 | 213-141-30-00 | 268 | 213-153-20-00 | 318 | 213-151-28-00 | 368 | 213-161-03-00 |
| 19 | 213-112-43-05 | 69 | 213-112-51-02 | 119 | 213-130-29-00 | 169 | 213-140-16-00 | 219 | 213-141-31-00 | 269 | 213-153-21-00 | 319 | 213-151-29-00 | 369 | 213-161-04-00 |
| 20 | 213-112-43-06 | 70 | 213-112-51-03 | 120 | 213-130-30-00 | 170 | 213-140-17-00 | 220 | 213-141-32-00 | 270 | 213-153-22-00 | 320 | 213-151-30-00 | 370 | 213-161-05-00 |
| 21 | 213-112-44-01 | 71 | 213-112-57-04 | 121 | 213-130-31-00 | 171 | 213-140-18-00 | 221 | 213-141-33-00 | 271 | 213-153-23-00 | 321 | 213-151-31-00 | 371 | 213-161-06-00 |
| 22 | 213-112-44-02 | 72 | 213-112-58-01 | 122 | 213-130-32-00 | 172 | 213-140-19-00 | 222 | 213-141-34-00 | 272 | 213-153-24-00 | 322 | 213-151-32-00 | 372 | 213-161-07-00 |
| 23 | 213-112-44-04 | 73 | 213-112-58-02 | 123 | 213-130-33-00 | 173 | 213-140-20-00 | 223 | 213-141-35-00 | 273 | 213-153-25-00 | 323 | 213-151-33-00 | 373 | 213-161-08-00 |
| 24 | 213-112-44-05 | 74 | 213-112-58-03 | 124 | 213-130-34-00 | 174 | 213-140-21-00 | 224 | 213-141-36-00 | 274 | 213-153-26-00 | 324 | 213-151-34-00 | 374 | 213-161-09-00 |
| 25 | 213-112-46-01 | 75 | 213-112-58-04 | 125 | 213-130-35-00 | 175 | 213-140-22-00 | 225 | 213-141-37-00 | 275 | 213-153-27-00 | 325 | 213-151-35-00 | 375 | 213-161-10-00 |
| 26 | 213-112-46-02 | 76 | 213-112-59-01 | 126 | 213-130-36-00 | 176 | 213-140-23-00 | 226 | 213-141-38-00 | 276 | 213-153-28-00 | 326 | 213-151-36-00 | 376 | 213-161-11-00 |
| 27 | 213-112-46-03 | 77 | 213-112-59-02 | 127 | 213-130-37-00 | 177 | 213-140-24-00 | 227 | 213-141-39-00 | 277 | 213-153-29-00 | 327 | 213-151-37-00 | 377 | 213-161-12-00 |
| 28 | 213-112-46-04 | 78 | 213-112-59-03 | 128 | 213-130-38-00 | 178 | 213-140-25-00 | 228 | 213-141-40-00 | 278 | 213-153-30-00 | 328 | 213-151-38-00 | 378 | 213-161-13-00 |
| 29 | 213-112-47-01 | 79 | 213-112-61-01 | 129 | 213-130-39-00 | 179 | 213-140-26-00 | 229 | 213-141-41-00 | 279 | 213-153-31-00 | 329 | 213-151-39-00 | 379 | 213-162-01-00 |
| 30 | 213-112-47-02 | 80 | 213-112-61-02 | 130 | 213-130-40-00 | 180 | 213-140-27-00 | 230 | 213-141-42-00 | 280 | 213-153-32-00 | 330 | 213-151-40-00 | 380 | 213-162-02-00 |
| 31 | 213-112-47-03 | 81 | 213-112-61-03 | 131 | 213-130-41-00 | 181 | 213-140-28-00 | 231 | 213-141-43-00 | 281 | 213-153-33-00 | 331 | 213-151-41-00 | 381 | 213-162-03-00 |
| 32 | 213-112-47-04 | 82 | 213-112-61-04 | 132 | 213-130-42-00 | 182 | 213-140-29-00 | 232 | 213-141-44-00 | 282 | 213-153-34-00 | 332 | 213-151-42-00 | 382 | 213-162-04-00 |
| 33 | 213-112-48-01 | 83 | 213-112-61-05 | 133 | 213-130-43-00 | 183 | 213-140-30-00 | 233 | 213-141-45-00 | 283 | 213-153-35-00 | 333 | 213-151-43-00 | 383 | 213-162-05-00 |
| 34 | 213-112-48-02 | 84 | 213-112-61-06 | 134 | 213-130-44-00 | 184 | 213-140-31-00 | 234 | 213-141-46-00 | 284 | 213-153-36-00 | 334 | 213-151-44-00 | 384 | 213-162-06-00 |
| 35 | 213-112-48-03 | 85 | 213-112-62-01 | 135 | 213-130-45-00 | 185 | 213-140-32-00 | 235 | 213-141-47-00 | 285 | 213-153-37-00 | 335 | 213-151-45-00 | 385 | 213-162-07-00 |
| 36 | 213-112-48-04 | 86 | 213-112-62-02 | 136 | 213-130-46-00 | 186 | 213-140-33-00 | 236 | 213-141-48-00 | 286 | 213-153-38-00 | 336 | 213-151-46-00 | 386 | 213-162-08-00 |
| 37 | 213-112-49-01 | 87 | 213-121-02-03 | 137 | 213-130-47-00 | 187 | 213-140-34-00 | 237 | 213-141-49-00 | 287 | 213-153-39-00 | 337 | 213-151-47-00 | 387 | 213-162-09-00 |
| 38 | 213-112-49-02 | 88 | 213-121-02-04 | 138 | 213-130-48-00 | 188 | 213-140-35-00 | 238 | 213-141-50-00 | 288 | 213-153-40-00 | 338 | 213-151-48-00 | 388 | 213-162-10-00 |
| 39 | 213-112-49-03 | 89 | 213-122-01-00 | 139 | 213-130-49-00 | 189 | 213-141-01-00 | 239 | 213-141-51-00 | 289 | 213-153-41-00 | 339 | 213-151-49-00 | 389 | 213-162-11-00 |
| 40 | 213-112-49-04 | 90 | 213-122-11-00 | 140 | 213-130-50-00 | 190 | 213-141-02-00 | 240 | 213-141-52-00 | 290 | 213-153-42-00 | 340 | 213-151-50-00 | 390 | 213-162-12-00 |
| 41 | 213-112-50-01 | 91 | 213-130-01-00 | 141 | 213-130-51-00 | 191 | 213-141-03-00 | 241 | 213-141-53-00 | 291 | 213-151-01-00 | 341 | 213-151-51-00 | 391 | 213-162-13-00 |
| 42 | 213-112-50-02 | 92 | 213-130-02-00 | 142 | 213-130-52-00 | 192 | 213-141-04-00 | 242 | 213-141-54-00 | 292 | 213-151-02-00 | 342 | 213-151-52-00 | 392 | 213-162-14-00 |
| 43 | 213-112-50-03 | 93 | 213-130-03-00 | 143 | 213-130-53-00 | 193 | 213-141-05-00 | 243 | 213-141-55-00 | 293 | 213-151-03-00 | 343 | 213-151-53-00 | 393 | 213-162-15-00 |
| 44 | 213-112-50-04 | 94 | 213-130-04-00 | 144 | 213-130-54-00 | 194 | 213-141-06-00 | 244 | 213-141-56-00 | 294 | 213-151-04-00 | 344 | 213-150-01-00 | 394 | 213-162-16-00 |
| 45 | 213-112-51-01 | 95 | 213-130-05-00 | 145 | 213-130-55-00 | 195 | 213-141-07-00 | 245 | 213-141-57-00 | 295 | 213-151-05-00 | 345 | 213-160-02-00 | 395 | 213-162-17-00 |
| 46 | 213-112-51-02 | 96 | 213-130-06-00 | 146 | 213-130-56-00 | 196 | 213-141-08-00 | 246 | 213-141-58-00 | 296 | 213-151-06-00 | 346 | 213-160-03-00 | 396 | 213-162-18-00 |
| 47 | 213-112-51-03 | 97 | 213-130-07-00 | 147 | 213-130-57-00 | 197 | 213-141-09-00 | 247 | 213-141-59-00 | 297 | 213-151-07-00 | 347 | 213-160-04-00 | 397 | 213-162-19-00 |
| 48 | 213-112-51-04 | 98 | 213-130-08-00 | 148 | 213-130-58-00 | 198 | 213-141-10-00 | 248 | 213-141-60-00 | 298 | 213-151-08-00 | 348 | 213-160-05-00 | 398 | 213-162-20-00 |
| 49 | 213-112-53-01 | 99 | 213-130-09-00 | 149 | 213-130-59-00 | 199 | 213-141-11-00 | 249 | 213-150-01-00 | 299 | 213-151-09-00 | 349 | 213-160-06-00 | 399 | 213-162-21-00 |
| 50 | 213-112-53-02 | 100 | 213-130-10-00 | 150 | 213-130-60-00 | 200 | 213-141-12-00 | 250 | 213-150-02-00 | 300 | 213-151-10-00 | 350 | 213-160-07-00 | 400 | 213-162-22-00 |

A-12

REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

| Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN |
|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| 401 | 213-162-23-00 | 451 | 213-170-39-00 | 501 | 213-180-05-00 | 551 | 213-181-27-00 | 601 | 213-200-06-00 | 651 | 213-202-12-00 | 701 | 213-220-06-00 | 751 | 213-221-32-00 |
| 402 | 213-162-24-00 | 452 | 213-170-40-00 | 502 | 213-180-06-00 | 552 | 213-181-28-00 | 602 | 213-200-07-00 | 652 | 213-202-13-00 | 702 | 213-220-07-00 | 752 | 213-221-33-00 |
| 403 | 213-162-25-00 | 453 | 213-170-41-00 | 503 | 213-180-07-00 | 553 | 213-181-29-00 | 603 | 213-200-08-00 | 653 | 213-202-14-00 | 703 | 213-220-08-00 | 753 | 213-221-34-00 |
| 404 | 213-162-26-00 | 454 | 213-170-42-00 | 504 | 213-180-08-00 | 554 | 213-181-30-00 | 604 | 213-200-09-00 | 654 | 213-202-15-00 | 704 | 213-220-09-00 | 754 | 213-221-35-00 |
| 405 | 213-162-27-00 | 455 | 213-170-43-00 | 505 | 213-180-09-00 | 555 | 213-181-31-00 | 605 | 213-200-10-00 | 655 | 213-202-16-00 | 705 | 213-220-10-00 | 755 | 213-221-36-00 |
| 406 | 213-162-28-00 | 456 | 213-170-44-00 | 506 | 213-180-10-00 | 556 | 213-181-32-00 | 606 | 213-200-11-00 | 656 | 213-202-17-00 | 706 | 213-220-11-00 | 756 | 213-221-37-00 |
| 407 | 213-162-29-00 | 457 | 213-170-45-00 | 507 | 213-180-11-00 | 557 | 213-181-33-00 | 607 | 213-200-12-00 | 657 | 213-202-18-00 | 707 | 213-220-12-00 | 757 | 213-221-38-00 |
| 408 | 213-162-30-00 | 458 | 213-170-46-00 | 508 | 213-180-12-00 | 558 | 213-181-34-00 | 608 | 213-200-13-00 | 658 | 213-202-19-00 | 708 | 213-220-13-00 | 758 | 213-221-39-00 |
| 409 | 213-162-31-00 | 459 | 213-170-47-00 | 509 | 213-180-13-00 | 559 | 213-181-35-00 | 609 | 213-200-14-00 | 659 | 213-202-20-00 | 709 | 213-220-14-00 | 759 | 213-221-40-00 |
| 410 | 213-162-32-00 | 460 | 213-170-48-00 | 510 | 213-180-14-00 | 560 | 213-181-36-00 | 610 | 213-200-15-00 | 660 | 213-202-21-00 | 710 | 213-220-15-00 | 760 | 213-221-41-00 |
| 411 | 213-162-33-00 | 461 | 213-170-49-00 | 511 | 213-180-15-00 | 561 | 213-181-37-00 | 611 | 213-200-16-00 | 661 | 213-202-22-00 | 711 | 213-220-16-00 | 761 | 213-221-42-00 |
| 412 | 213-162-34-00 | 462 | 213-170-50-00 | 512 | 213-180-16-00 | 562 | 213-181-38-00 | 612 | 213-200-17-00 | 662 | 213-202-23-00 | 712 | 213-220-17-00 | 762 | 213-221-43-00 |
| 413 | 213-162-35-00 | 463 | 213-170-51-00 | 513 | 213-180-17-00 | 563 | 213-181-39-00 | 613 | 213-200-18-00 | 663 | 213-202-24-00 | 713 | 213-220-18-00 | 763 | 213-221-44-00 |
| 414 | 213-170-02-00 | 464 | 213-171-01-00 | 514 | 213-180-18-00 | 564 | 213-181-40-00 | 614 | 213-200-19-00 | 664 | 213-210-05-00 | 714 | 213-220-19-00 | 764 | 213-221-45-00 |
| 415 | 213-170-03-00 | 465 | 213-171-02-00 | 515 | 213-180-19-00 | 565 | 213-181-41-00 | 615 | 213-200-20-00 | 665 | 213-210-06-00 | 715 | 213-220-20-00 | 765 | 213-221-46-00 |
| 416 | 213-170-04-00 | 466 | 213-171-03-00 | 516 | 213-180-20-00 | 566 | 213-181-42-00 | 616 | 213-200-21-00 | 666 | 213-210-07-00 | 716 | 213-220-21-00 | 766 | 213-221-47-00 |
| 417 | 213-170-05-00 | 467 | 213-171-04-00 | 517 | 213-180-21-00 | 567 | 213-181-43-00 | 617 | 213-200-22-00 | 667 | 213-210-08-00 | 717 | 213-220-22-00 | 767 | 213-221-48-00 |
| 418 | 213-170-06-00 | 468 | 213-171-05-00 | 518 | 213-180-22-00 | 568 | 213-181-44-00 | 618 | 213-201-01-00 | 668 | 213-211-01-00 | 718 | 213-220-23-00 | 768 | 213-221-49-00 |
| 419 | 213-170-07-00 | 469 | 213-171-06-00 | 519 | 213-180-23-00 | 569 | 213-181-45-00 | 619 | 213-201-02-00 | 669 | 213-211-02-00 | 719 | 213-220-24-00 | 769 | 213-221-50-00 |
| 420 | 213-170-08-00 | 470 | 213-171-07-00 | 520 | 213-180-24-00 | 570 | 213-181-46-00 | 620 | 213-201-03-00 | 670 | 213-211-03-00 | 720 | 213-220-25-00 | 770 | 213-221-51-00 |
| 421 | 213-170-09-00 | 471 | 213-171-08-00 | 521 | 213-180-25-00 | 571 | 213-181-47-00 | 621 | 213-201-04-00 | 671 | 213-211-04-00 | 721 | 213-220-26-00 | 771 | 213-230-01-00 |
| 422 | 213-170-10-00 | 472 | 213-171-09-00 | 522 | 213-180-26-00 | 572 | 213-181-48-00 | 622 | 213-201-05-00 | 672 | 213-211-05-00 | 722 | 213-221-02-00 | 772 | 213-230-02-00 |
| 423 | 213-170-11-00 | 473 | 213-171-10-00 | 523 | 213-180-27-00 | 573 | 213-181-49-00 | 623 | 213-201-06-00 | 673 | 213-211-06-00 | 723 | 213-221-03-00 | 773 | 213-230-03-00 |
| 424 | 213-170-12-00 | 474 | 213-171-11-00 | 524 | 213-180-28-00 | 574 | 213-181-50-00 | 624 | 213-201-07-00 | 674 | 213-211-07-00 | 724 | 213-221-04-00 | 774 | 213-230-04-00 |
| 425 | 213-170-13-00 | 475 | 213-171-12-00 | 525 | 213-181-01-00 | 575 | 213-181-51-00 | 625 | 213-201-08-00 | 675 | 213-211-08-00 | 725 | 213-221-05-00 | 775 | 213-230-05-00 |
| 426 | 213-170-14-00 | 476 | 213-171-13-00 | 526 | 213-181-02-00 | 576 | 213-181-52-00 | 626 | 213-201-09-00 | 676 | 213-211-09-00 | 726 | 213-221-06-00 | 776 | 213-230-06-00 |
| 427 | 213-170-15-00 | 477 | 213-171-14-00 | 527 | 213-181-03-00 | 577 | 213-181-53-00 | 627 | 213-201-10-00 | 677 | 213-211-10-00 | 727 | 213-221-07-00 | 777 | 213-230-07-00 |
| 428 | 213-170-16-00 | 478 | 213-171-15-00 | 528 | 213-181-04-00 | 578 | 213-181-54-00 | 628 | 213-201-11-00 | 678 | 213-211-11-00 | 728 | 213-221-08-00 | 778 | 213-230-08-00 |
| 429 | 213-170-17-00 | 479 | 213-171-16-00 | 529 | 213-181-05-00 | 579 | 213-181-55-00 | 629 | 213-201-12-00 | 679 | 213-211-12-00 | 729 | 213-221-09-00 | 779 | 213-230-09-00 |
| 430 | 213-170-18-00 | 480 | 213-171-17-00 | 530 | 213-181-06-00 | 580 | 213-181-56-00 | 630 | 213-201-13-00 | 680 | 213-211-13-00 | 730 | 213-221-10-00 | 780 | 213-230-10-00 |
| 431 | 213-170-19-00 | 481 | 213-171-18-00 | 531 | 213-181-07-00 | 581 | 213-181-57-00 | 631 | 213-201-14-00 | 681 | 213-211-14-00 | 731 | 213-221-11-00 | 781 | 213-230-11-00 |
| 432 | 213-170-20-00 | 482 | 213-171-19-00 | 532 | 213-181-08-00 | 582 | 213-181-58-00 | 632 | 213-201-15-00 | 682 | 213-211-15-00 | 732 | 213-221-12-00 | 782 | 213-230-12-00 |
| 433 | 213-170-21-00 | 483 | 213-171-20-00 | 533 | 213-181-09-00 | 583 | 213-181-59-00 | 633 | 213-201-16-00 | 683 | 213-211-16-00 | 733 | 213-221-13-00 | 783 | 213-230-13-00 |
| 434 | 213-170-22-00 | 484 | 213-171-21-00 | 534 | 213-181-10-00 | 584 | 213-181-60-00 | 634 | 213-201-17-00 | 684 | 213-211-17-00 | 734 | 213-221-14-00 | 784 | 213-231-01-00 |
| 435 | 213-170-23-00 | 485 | 213-171-22-00 | 535 | 213-181-11-00 | 585 | 213-181-61-00 | 635 | 213-201-18-00 | 685 | 213-211-18-00 | 735 | 213-221-15-00 | 785 | 213-231-02-00 |
| 436 | 213-170-24-00 | 486 | 213-171-23-00 | 536 | 213-181-12-00 | 586 | 213-181-62-00 | 636 | 213-201-19-00 | 686 | 213-211-19-00 | 736 | 213-221-16-00 | 786 | 213-231-03-00 |
| 437 | 213-170-25-00 | 487 | 213-171-24-00 | 537 | 213-181-13-00 | 587 | 213-181-63-00 | 637 | 213-201-20-00 | 687 | 213-211-20-00 | 737 | 213-221-17-00 | 787 | 213-231-04-00 |
| 438 | 213-170-26-00 | 488 | 213-171-25-00 | 538 | 213-181-14-00 | 588 | 213-181-64-00 | 638 | 213-201-21-00 | 688 | 213-211-21-00 | 738 | 213-221-18-00 | 788 | 213-231-05-00 |
| 439 | 213-170-27-00 | 489 | 213-171-26-00 | 539 | 213-181-15-00 | 589 | 213-181-65-00 | 639 | 213-202-01-00 | 689 | 213-212-01-00 | 739 | 213-221-19-00 | 789 | 213-231-06-00 |
| 440 | 213-170-28-00 | 490 | 213-171-27-00 | 540 | 213-181-16-00 | 590 | 213-181-66-00 | 640 | 213-202-02-00 | 690 | 213-212-02-00 | 740 | 213-221-20-00 | 790 | 213-231-07-00 |
| 441 | 213-170-29-00 | 491 | 213-171-28-00 | 541 | 213-181-17-00 | 591 | 213-181-67-00 | 641 | 213-202-03-00 | 691 | 213-212-03-00 | 741 | 213-221-21-00 | 791 | 213-231-08-00 |
| 442 | 213-170-30-00 | 492 | 213-171-29-00 | 542 | 213-181-18-00 | 592 | 213-181-68-00 | 642 | 213-202-04-00 | 692 | 213-212-04-00 | 742 | 213-221-22-00 | 792 | 213-231-09-00 |
| 443 | 213-170-31-00 | 493 | 213-171-30-00 | 543 | 213-181-19-00 | 593 | 213-181-69-00 | 643 | 213-202-05-00 | 693 | 213-212-05-00 | 743 | 213-221-23-00 | 793 | 213-231-10-00 |
| 444 | 213-170-32-00 | 494 | 213-171-31-00 | 544 | 213-181-20-00 | 594 | 213-181-70-00 | 644 | 213-202-06-00 | 694 | 213-212-06-00 | 744 | 213-221-24-00 | 794 | 213-231-11-00 |
| 445 | 213-170-33-00 | 495 | 213-171-32-00 | 545 | 213-181-21-00 | 595 | 213-181-71-00 | 645 | 213-202-07-00 | 695 | 213-212-07-00 | 745 | 213-221-25-00 | 795 | 213-231-12-00 |
| 446 | 213-170-34-00 | 496 | 213-171-33-00 | 546 | 213-181-22-00 | 596 | 213-200-01-00 | 646 | 213-202-08-00 | 696 | 213-212-08-00 | 746 | 213-221-26-00 | 796 | 213-231-13-00 |
| 447 | 213-170-35-00 | 497 | 213-180-01-00 | 547 | 213-181-23-00 | 597 | 213-200-02-00 | 647 | 213-202-09-00 | 697 | 213-212-09-00 | 747 | 213-221-27-00 | 797 | 213-231-14-00 |
| 448 | 213-170-36-00 | 498 | 213-180-02-00 | 548 | 213-181-24-00 | 598 | 213-200-03-00 | 648 | 213-202-10-00 | 698 | 213-212-10-00 | 748 | 213-221-28-00 | 798 | 213-231-15-00 |
| 449 | 213-170-37-00 | 499 | 213-180-03-00 | 549 | 213-181-25-00 | 599 | 213-200-04-00 | 649 | 213-202-11-00 | 699 | 213-212-11-00 | 749 | 213-221-29-00 | 799 | 213-231-16-00 |
| 450 | 213-170-38-00 | 500 | 213-180-04-00 | 550 | 213-181-26-00 | 600 | 213-200-05-00 | 650 | 213-202-12-00 | 700 | 213-212-12-00 | 750 | 213-221-31-00 | 800 | 213-231-17-00 |

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REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

| Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN |
|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| 801 | 213-231-18-00 | 851 | 213-233-29-00 | 901 | 213-241-15-00 | 951 | 213-243-03-00 | 1001 | 213-250-20-00 | 1051 | 213-262-12-01 | 1101 | 213-262-4-25 | 1151 | 213-271-19-00 |
| 802 | 213-231-19-00 | 852 | 213-233-28-00 | 902 | 213-241-16-00 | 952 | 213-243-04-00 | 1002 | 213-250-21-00 | 1052 | 213-262-12-02 | 1102 | 213-262-4-26 | 1152 | 213-271-20-00 |
| 803 | 213-231-20-00 | 853 | 213-240-01-00 | 903 | 213-241-17-00 | 953 | 213-243-05-00 | 1003 | 213-250-22-00 | 1053 | 213-262-12-03 | 1103 | 213-262-4-27 | 1153 | 213-271-21-00 |
| 804 | 213-231-21-00 | 854 | 213-240-02-00 | 904 | 213-241-18-00 | 954 | 213-243-06-00 | 1004 | 213-250-23-00 | 1054 | 213-262-12-04 | 1104 | 213-263-09-00 | 1154 | 213-271-22-00 |
| 805 | 213-231-22-00 | 855 | 213-240-03-00 | 905 | 213-241-19-00 | 955 | 213-243-07-00 | 1005 | 213-250-24-00 | 1055 | 213-262-12-05 | 1105 | 213-263-10-00 | 1155 | 213-271-23-00 |
| 806 | 213-231-23-00 | 856 | 213-240-04-00 | 906 | 213-241-20-00 | 956 | 213-243-08-00 | 1006 | 213-250-25-00 | 1056 | 213-262-13-01 | 1106 | 213-263-11-00 | 1156 | 213-271-24-00 |
| 807 | 213-232-01-00 | 857 | 213-240-05-00 | 907 | 213-241-21-00 | 957 | 213-243-09-00 | 1007 | 213-260-01-01 | 1057 | 213-262-13-02 | 1107 | 213-263-12-00 | 1157 | 213-271-25-00 |
| 808 | 213-232-02-00 | 858 | 213-240-06-00 | 908 | 213-241-22-00 | 958 | 213-243-10-00 | 1008 | 213-260-01-02 | 1058 | 213-262-13-03 | 1108 | 213-263-13-00 | 1158 | 213-271-26-00 |
| 809 | 213-232-03-00 | 859 | 213-240-07-00 | 909 | 213-241-23-00 | 959 | 213-243-11-00 | 1009 | 213-260-01-03 | 1059 | 213-262-13-04 | 1109 | 213-263-14-00 | 1159 | 213-271-27-00 |
| 810 | 213-232-04-00 | 860 | 213-240-08-00 | 910 | 213-241-24-00 | 960 | 213-243-12-00 | 1010 | 213-260-01-04 | 1060 | 213-262-13-05 | 1110 | 213-263-15-00 | 1160 | 213-271-28-00 |
| 811 | 213-232-05-00 | 861 | 213-240-09-00 | 911 | 213-241-25-00 | 961 | 213-243-13-00 | 1011 | 213-260-01-05 | 1061 | 213-262-13-06 | 1111 | 213-263-16-00 | 1161 | 213-271-29-00 |
| 812 | 213-232-06-00 | 862 | 213-240-10-00 | 912 | 213-241-26-00 | 962 | 213-243-14-00 | 1012 | 213-260-01-07 | 1062 | 213-262-13-07 | 1112 | 213-263-19-00 | 1162 | 213-271-31-00 |
| 813 | 213-232-07-00 | 863 | 213-240-11-00 | 913 | 213-241-27-00 | 963 | 213-243-15-00 | 1013 | 213-260-01-09 | 1063 | 213-262-13-08 | 1113 | 213-263-20-00 | 1163 | 213-271-31-00 |
| 814 | 213-232-08-00 | 864 | 213-240-12-00 | 914 | 213-242-01-00 | 964 | 213-243-16-00 | 1014 | 213-260-02-00 | 1064 | 213-262-13-09 | 1114 | 213-263-26-00 | 1164 | 213-272-01-00 |
| 815 | 213-232-10-00 | 865 | 213-240-13-00 | 915 | 213-242-02-00 | 965 | 213-243-17-00 | 1015 | 213-260-03-00 | 1065 | 213-262-13-10 | 1115 | 213-270-01-00 | 1165 | 213-272-04-00 |
| 816 | 213-232-11-00 | 866 | 213-240-14-00 | 916 | 213-242-03-00 | 966 | 213-243-18-00 | 1016 | 213-260-04-00 | 1066 | 213-262-13-11 | 1116 | 213-270-02-00 | 1166 | 213-272-03-00 |
| 817 | 213-232-12-00 | 867 | 213-240-15-00 | 917 | 213-242-04-00 | 967 | 213-243-19-00 | 1017 | 213-260-05-00 | 1067 | 213-262-13-12 | 1117 | 213-270-03-00 | 1167 | 213-272-04-00 |
| 818 | 213-232-13-00 | 868 | 213-240-16-00 | 918 | 213-242-05-00 | 968 | 213-243-20-00 | 1018 | 213-260-06-00 | 1068 | 213-262-13-13 | 1118 | 213-270-04-00 | 1168 | 213-272-05-00 |
| 819 | 213-232-14-00 | 869 | 213-240-17-00 | 919 | 213-242-06-00 | 969 | 213-243-21-00 | 1019 | 213-260-07-00 | 1069 | 213-262-13-14 | 1119 | 213-270-05-00 | 1169 | 213-272-06-00 |
| 820 | 213-232-15-00 | 870 | 213-240-18-00 | 920 | 213-242-07-00 | 970 | 213-243-22-00 | 1020 | 213-260-08-00 | 1070 | 213-262-13-15 | 1120 | 213-270-06-00 | 1170 | 213-272-07-00 |
| 821 | 213-232-16-00 | 871 | 213-240-19-00 | 921 | 213-242-08-00 | 971 | 213-243-23-00 | 1021 | 213-260-09-00 | 1071 | 213-262-13-16 | 1121 | 213-270-07-00 | 1171 | 213-272-08-00 |
| 822 | 213-232-18-00 | 872 | 213-240-20-00 | 922 | 213-242-09-00 | 972 | 213-243-24-00 | 1022 | 213-261-01-00 | 1072 | 213-262-13-17 | 1122 | 213-270-08-00 | 1172 | 213-272-09-00 |
| 823 | 213-233-01-00 | 873 | 213-240-21-00 | 923 | 213-242-10-00 | 973 | 213-243-25-00 | 1023 | 213-261-02-00 | 1073 | 213-262-13-18 | 1123 | 213-270-09-00 | 1173 | 213-272-10-00 |
| 824 | 213-233-02-00 | 874 | 213-240-22-00 | 924 | 213-242-11-00 | 974 | 213-243-26-00 | 1024 | 213-261-03-00 | 1074 | 213-262-13-19 | 1124 | 213-270-10-00 | 1174 | 213-272-11-00 |
| 825 | 213-233-03-00 | 875 | 213-240-23-00 | 925 | 213-242-12-00 | 975 | 213-243-27-00 | 1025 | 213-261-04-00 | 1075 | 213-262-13-20 | 1125 | 213-270-11-00 | 1175 | 213-272-12-00 |
| 826 | 213-233-04-00 | 876 | 213-240-24-00 | 926 | 213-242-13-00 | 976 | 213-243-28-00 | 1026 | 213-261-05-00 | 1076 | 213-262-13-21 | 1126 | 213-270-12-00 | 1176 | 213-272-13-00 |
| 827 | 213-233-05-00 | 877 | 213-240-25-00 | 927 | 213-242-14-00 | 977 | 213-243-29-00 | 1027 | 213-261-06-00 | 1077 | 213-262-14-01 | 1127 | 213-270-13-00 | 1177 | 213-272-14-00 |
| 828 | 213-233-06-00 | 878 | 213-240-26-00 | 928 | 213-242-15-00 | 978 | 213-243-30-00 | 1028 | 213-261-14-00 | 1078 | 213-262-14-02 | 1128 | 213-270-14-00 | 1178 | 213-272-15-00 |
| 829 | 213-233-07-00 | 879 | 213-240-27-00 | 929 | 213-242-16-00 | 979 | 213-243-31-00 | 1029 | 213-261-15-01 | 1079 | 213-262-14-03 | 1129 | 213-270-15-00 | 1179 | 213-272-16-00 |
| 830 | 213-233-08-00 | 880 | 213-240-28-00 | 930 | 213-242-19-00 | 980 | 213-243-32-00 | 1030 | 213-261-15-02 | 1080 | 213-262-14-04 | 1130 | 213-270-16-00 | 1180 | 213-272-17-00 |
| 831 | 213-233-09-00 | 881 | 213-240-29-00 | 931 | 213-242-20-00 | 981 | 213-243-33-00 | 1031 | 213-261-15-03 | 1081 | 213-262-14-05 | 1131 | 213-270-17-00 | 1181 | 213-272-18-00 |
| 832 | 213-233-10-00 | 882 | 213-240-30-00 | 932 | 213-242-21-00 | 982 | 213-250-01-00 | 1032 | 213-261-15-04 | 1082 | 213-262-14-06 | 1132 | 213-270-18-00 | 1182 | 213-272-19-00 |
| 833 | 213-233-11-00 | 883 | 213-240-31-00 | 933 | 213-242-22-00 | 983 | 213-250-02-00 | 1033 | 213-261-15-05 | 1083 | 213-262-14-07 | 1133 | 213-271-01-00 | 1183 | 213-272-20-00 |
| 834 | 213-233-12-00 | 884 | 213-240-32-00 | 934 | 213-242-23-00 | 984 | 213-250-03-00 | 1034 | 213-261-15-06 | 1084 | 213-262-14-08 | 1134 | 213-271-02-00 | 1184 | 213-272-21-00 |
| 835 | 213-233-13-00 | 885 | 213-240-33-00 | 935 | 213-242-24-00 | 985 | 213-250-04-00 | 1035 | 213-261-15-07 | 1085 | 213-262-14-09 | 1135 | 213-271-03-00 | 1185 | 213-272-22-00 |
| 836 | 213-233-14-00 | 886 | 213-240-34-00 | 936 | 213-242-25-00 | 986 | 213-250-05-00 | 1036 | 213-261-15-08 | 1086 | 213-262-14-10 | 1136 | 213-271-04-00 | 1186 | 213-280-01-00 |
| 837 | 213-233-15-00 | 887 | 213-241-01-00 | 937 | 213-242-26-00 | 987 | 213-250-06-00 | 1037 | 213-261-15-09 | 1087 | 213-262-14-11 | 1137 | 213-271-05-00 | 1187 | 213-280-02-00 |
| 838 | 213-233-16-00 | 888 | 213-241-02-00 | 938 | 213-242-27-00 | 988 | 213-250-07-00 | 1038 | 213-261-15-10 | 1088 | 213-262-14-12 | 1138 | 213-271-06-00 | 1188 | 213-280-03-00 |
| 839 | 213-233-17-00 | 889 | 213-241-03-00 | 939 | 213-242-28-00 | 989 | 213-250-08-00 | 1039 | 213-261-15-11 | 1089 | 213-262-14-13 | 1139 | 213-271-07-00 | 1189 | 213-280-04-00 |
| 840 | 213-233-18-00 | 890 | 213-241-04-00 | 940 | 213-242-31-00 | 990 | 213-250-09-00 | 1040 | 213-261-15-12 | 1090 | 213-262-14-14 | 1140 | 213-271-08-00 | 1190 | 213-280-05-00 |
| 841 | 213-233-19-00 | 891 | 213-241-05-00 | 941 | 213-242-32-00 | 991 | 213-250-10-00 | 1041 | 213-261-15-13 | 1091 | 213-262-14-15 | 1141 | 213-271-09-00 | 1191 | 213-280-06-00 |
| 842 | 213-233-20-00 | 892 | 213-241-06-00 | 942 | 213-242-33-00 | 992 | 213-250-11-00 | 1042 | 213-261-15-14 | 1092 | 213-262-14-16 | 1142 | 213-271-10-00 | 1192 | 213-280-07-00 |
| 843 | 213-233-21-00 | 893 | 213-241-07-00 | 943 | 213-242-34-00 | 993 | 213-250-12-00 | 1043 | 213-261-16-00 | 1093 | 213-262-14-17 | 1143 | 213-271-11-00 | 1193 | 213-280-08-00 |
| 844 | 213-233-22-00 | 894 | 213-241-08-00 | 944 | 213-242-35-00 | 994 | 213-250-13-00 | 1044 | 213-261-17-00 | 1094 | 213-262-14-18 | 1144 | 213-271-12-00 | 1194 | 213-280-09-00 |
| 845 | 213-233-23-00 | 895 | 213-241-09-00 | 945 | 213-242-39-00 | 995 | 213-250-14-00 | 1045 | 213-261-18-00 | 1095 | 213-262-14-19 | 1145 | 213-271-13-00 | 1195 | 213-280-10-00 |
| 846 | 213-233-24-00 | 896 | 213-241-10-00 | 946 | 213-242-40-00 | 996 | 213-250-15-00 | 1046 | 213-262-06-00 | 1096 | 213-262-14-20 | 1146 | 213-271-14-00 | 1196 | 213-280-11-00 |
| 847 | 213-233-25-00 | 897 | 213-241-11-00 | 947 | 213-242-41-00 | 997 | 213-250-16-00 | 1047 | 213-262-07-00 | 1097 | 213-262-14-21 | 1147 | 213-271-15-00 | 1197 | 213-280-12-00 |
| 848 | 213-233-26-00 | 898 | 213-241-12-00 | 948 | 213-242-42-00 | 998 | 213-250-17-00 | 1048 | 213-262-08-00 | 1098 | 213-262-14-22 | 1148 | 213-271-16-00 | 1198 | 213-280-13-00 |
| 849 | 213-233-27-00 | 899 | 213-241-13-00 | 949 | 213-243-01-00 | 999 | 213-250-18-00 | 1049 | 213-262-09-00 | 1099 | 213-262-14-23 | 1149 | 213-271-17-00 | 1199 | 213-280-14-00 |
| 850 | 213-233-28-00 | 900 | 213-241-14-00 | 950 | 213-243-02-00 | 1000 | 213-250-19-00 | 1050 | 213-262-11-00 | 1100 | 213-262-14-24 | 1150 | 213-271-18-00 | 1200 | 213-280-15-00 |

A-14

REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

| Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN |
|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| 1201 | 213-280-16-00 | 1251 | 213-282-15-00 | 1301 | 213-290-25-00 | 1351 | 213-291-01-00 | 1401 | 213-310-01-01 | 1451 | 168-341-13-13 | 1501 | 168-041-15-15 | 1551 | 168-041-18-05 |
| 1202 | 213-280-17-00 | 1252 | 213-282-16-00 | 1302 | 213-290-26-00 | 1352 | 213-291-02-00 | 1402 | 213-310-01-02 | 1452 | 168-041-13-14 | 1502 | 168-041-15-16 | 1552 | 168-041-18-06 |
| 1203 | 213-280-18-00 | 1253 | 213-282-17-00 | 1303 | 213-290-27-00 | 1353 | 213-291-03-00 | 1403 | 213-310-01-03 | 1453 | 168-041-13-15 | 1503 | 168-041-15-17 | 1553 | 168-041-18-07 |
| 1204 | 213-280-19-00 | 1254 | 213-283-01-00 | 1304 | 213-290-28-00 | 1354 | 213-291-04-00 | 1404 | 213-310-01-04 | 1454 | 168-041-13-16 | 1504 | 168-041-15-18 | 1554 | 168-041-18-08 |
| 1205 | 213-280-20-00 | 1255 | 213-283-02-00 | 1305 | 213-290-29-00 | 1355 | 213-291-05-00 | 1405 | 213-310-01-05 | 1455 | 168-041-13-17 | 1505 | 168-041-15-19 | 1555 | 168-041-18-09 |
| 1206 | 213-280-21-00 | 1256 | 213-283-03-00 | 1306 | 213-290-30-00 | 1356 | 213-291-06-00 | 1406 | 213-310-01-06 | 1456 | 168-041-13-18 | 1506 | 168-041-15-20 | 1556 | 168-280-51-00 |
| 1207 | 213-280-22-00 | 1257 | 213-283-04-00 | 1307 | 213-290-31-00 | 1357 | 213-292-02-00 | 1407 | 213-310-01-07 | 1457 | 168-041-13-19 | 1507 | 168-041-15-21 | 1557 | 168-280-52-00 |
| 1208 | 213-280-23-00 | 1258 | 213-283-05-00 | 1308 | 213-290-32-00 | 1358 | 213-292-03-00 | 1408 | 213-310-01-08 | 1458 | 168-041-13-20 | 1508 | 168-041-15-22 | 1558 | 168-280-53-00 |
| 1209 | 213-280-24-00 | 1259 | 213-283-06-00 | 1309 | 213-290-33-00 | 1359 | 213-292-04-00 | 1409 | 213-310-01-09 | 1459 | 168-041-13-21 | 1509 | 168-041-15-23 | 1559 | 168-280-54-00 |
| 1210 | 213-280-25-00 | 1260 | 213-283-07-00 | 1310 | 213-290-34-00 | 1360 | 213-292-05-00 | 1410 | 213-310-01-10 | 1460 | 168-041-13-22 | 1510 | 168-041-15-24 | 1560 | 168-280-55-00 |
| 1211 | 213-280-26-00 | 1261 | 213-283-08-00 | 1311 | 213-290-35-00 | 1361 | 213-292-06-00 | 1411 | 213-310-01-11 | 1461 | 168-041-13-23 | 1511 | 168-041-16-01 | 1561 | 168-280-56-00 |
| 1212 | 213-280-27-00 | 1262 | 213-283-09-00 | 1312 | 213-290-36-00 | 1362 | 213-292-07-00 | 1412 | 213-310-01-12 | 1462 | 168-041-13-24 | 1512 | 168-041-16-02 | 1562 | 168-280-57-00 |
| 1213 | 213-280-28-00 | 1263 | 213-283-10-00 | 1313 | 213-290-37-00 | 1363 | 213-292-08-00 | 1413 | 213-310-01-13 | 1463 | 168-041-14-01 | 1513 | 168-041-16-03 | 1563 | 168-280-58-00 |
| 1214 | 213-280-29-00 | 1264 | 213-283-11-00 | 1314 | 213-290-38-00 | 1364 | 213-292-09-00 | 1414 | 213-310-01-14 | 1464 | 168-041-14-02 | 1514 | 168-041-16-04 | 1564 | 168-280-59-00 |
| 1215 | 213-280-30-00 | 1265 | 213-283-12-00 | 1315 | 213-290-39-00 | 1365 | 213-292-10-00 | 1415 | 213-310-01-15 | 1465 | 168-041-14-03 | 1515 | 168-041-16-05 | 1565 | 168-280-60-00 |
| 1216 | 213-280-31-00 | 1266 | 213-283-13-00 | 1316 | 213-290-40-00 | 1366 | 213-292-11-00 | 1416 | 213-310-01-16 | 1466 | 168-041-14-04 | 1516 | 168-041-16-06 | 1566 | 168-280-61-00 |
| 1217 | 213-280-32-00 | 1267 | 213-283-14-00 | 1317 | 213-290-41-00 | 1367 | 213-292-12-00 | 1417 | 213-310-01-17 | 1467 | 168-041-14-05 | 1517 | 168-041-16-07 | 1567 | 168-280-62-00 |
| 1218 | 213-280-33-00 | 1268 | 213-283-15-00 | 1318 | 213-290-42-00 | 1368 | 213-292-13-00 | 1418 | 213-310-02-01 | 1468 | 168-041-14-06 | 1518 | 168-041-16-08 | 1568 | 168-280-63-00 |
| 1219 | 213-280-34-00 | 1269 | 213-283-16-00 | 1319 | 213-290-43-00 | 1369 | 213-292-14-00 | 1419 | 213-310-02-02 | 1469 | 168-041-14-07 | 1519 | 168-041-16-09 | 1569 | 168-280-64-00 |
| 1220 | 213-280-35-00 | 1270 | 213-283-17-00 | 1320 | 213-290-44-00 | 1370 | 213-292-15-00 | 1420 | 213-310-02-03 | 1470 | 168-041-14-08 | 1520 | 168-041-16-10 | 1570 | 168-280-65-00 |
| 1221 | 213-280-36-00 | 1271 | 213-283-18-00 | 1321 | 213-291-01-00 | 1371 | 213-292-16-00 | 1421 | 213-310-02-04 | 1471 | 168-041-14-09 | 1521 | 168-041-16-11 | 1571 | 168-280-66-00 |
| 1222 | 213-280-37-00 | 1272 | 213-283-19-00 | 1322 | 213-291-02-00 | 1372 | 213-292-17-00 | 1422 | 213-310-02-05 | 1472 | 168-041-14-10 | 1522 | 168-041-16-12 | 1572 | 168-280-67-00 |
| 1223 | 213-280-38-00 | 1273 | 213-283-20-00 | 1323 | 213-291-03-00 | 1373 | 213-292-18-00 | 1423 | 213-310-02-06 | 1473 | 168-041-14-11 | 1523 | 168-041-16-13 | 1573 | 168-280-68-00 |
| 1224 | 213-280-39-00 | 1274 | 213-283-21-00 | 1324 | 213-291-04-00 | 1374 | 213-292-19-00 | 1424 | 213-310-02-07 | 1474 | 168-041-14-12 | 1524 | 168-041-16-14 | 1574 | 168-280-69-00 |
| 1225 | 213-281-01-00 | 1275 | 213-283-22-00 | 1325 | 213-291-05-00 | 1375 | 213-292-20-00 | 1425 | 213-310-02-08 | 1475 | 168-041-14-13 | 1525 | 168-041-16-15 | 1575 | 168-280-70-00 |
| 1226 | 213-281-02-00 | 1276 | 213-283-23-00 | 1326 | 213-291-06-00 | 1376 | 213-292-21-00 | 1426 | 213-310-02-09 | 1476 | 168-041-14-14 | 1526 | 168-041-16-16 | 1576 | 168-280-71-00 |
| 1227 | 213-281-03-00 | 1277 | 213-290-01-00 | 1327 | 213-291-07-00 | 1377 | 213-292-22-00 | 1427 | 213-310-02-10 | 1477 | 168-041-14-15 | 1527 | 168-041-16-17 | 1577 | 168-280-72-00 |
| 1228 | 213-281-04-00 | 1278 | 213-290-02-00 | 1328 | 213-291-08-00 | 1378 | 213-292-23-00 | 1428 | 213-310-02-11 | 1478 | 168-041-14-16 | 1528 | 168-041-16-18 | 1578 | 168-280-73-00 |
| 1229 | 213-281-05-00 | 1279 | 213-290-03-00 | 1329 | 213-291-09-00 | 1379 | 213-292-24-00 | 1429 | 213-310-02-12 | 1479 | 168-041-14-17 | 1529 | 168-041-16-19 | 1579 | 168-280-74-00 |
| 1230 | 213-281-06-00 | 1280 | 213-290-04-00 | 1330 | 213-291-10-00 | 1380 | 213-292-25-00 | 1430 | 213-310-02-13 | 1480 | 168-041-14-18 | 1530 | 168-041-16-20 | 1580 | 168-280-75-00 |
| 1231 | 213-281-07-00 | 1281 | 213-290-05-00 | 1331 | 213-291-11-00 | 1381 | 213-292-26-00 | 1431 | 213-310-02-14 | 1481 | 168-041-14-19 | 1531 | 168-041-16-21 | 1581 | 168-280-76-00 |
| 1232 | 213-281-08-00 | 1282 | 213-290-06-00 | 1332 | 213-291-12-00 | 1382 | 213-292-27-00 | 1432 | 213-310-03-01 | 1482 | 168-041-14-20 | 1532 | 168-041-16-22 | 1582 | 168-280-77-00 |
| 1233 | 213-281-09-00 | 1283 | 213-290-07-00 | 1333 | 213-291-13-00 | 1383 | 213-292-28-00 | 1433 | 213-310-03-02 | 1483 | 168-041-14-21 | 1533 | 168-041-16-23 | 1583 | 168-280-78-00 |
| 1234 | 213-281-10-00 | 1284 | 213-290-08-00 | 1334 | 213-291-14-00 | 1384 | 213-300-01-00 | 1434 | 213-310-03-03 | 1484 | 168-041-14-22 | 1534 | 168-041-16-24 | 1584 | 168-280-79-00 |
| 1235 | 213-281-11-00 | 1285 | 213-290-09-00 | 1335 | 213-291-15-00 | 1385 | 213-300-02-00 | 1435 | 213-310-03-04 | 1485 | 168-041-14-23 | 1535 | 168-041-17-01 | 1585 | 168-280-80-00 |
| 1236 | 213-281-12-00 | 1286 | 213-290-10-00 | 1336 | 213-291-16-00 | 1386 | 213-300-03-00 | 1436 | 213-310-04-01 | 1486 | 168-041-14-24 | 1536 | 168-041-17-02 | 1586 | 168-280-81-00 |
| 1237 | 213-282-01-00 | 1287 | 213-290-11-00 | 1337 | 213-291-17-00 | 1387 | 213-300-04-00 | 1437 | 213-310-04-02 | 1487 | 168-041-15-01 | 1537 | 168-041-17-03 | 1587 | 168-280-82-00 |
| 1238 | 213-282-02-00 | 1288 | 213-290-12-00 | 1338 | 213-291-18-00 | 1388 | 213-300-05-00 | 1438 | 213-310-04-03 | 1488 | 168-041-15-02 | 1538 | 168-041-17-04 | 1588 | 168-280-83-00 |
| 1239 | 213-282-03-00 | 1289 | 213-290-13-00 | 1339 | 213-291-19-00 | 1389 | 213-300-06-00 | 1439 | 168-041-13-01 | 1489 | 168-041-15-03 | 1539 | 168-041-17-05 | 1589 | 168-280-84-00 |
| 1240 | 213-282-04-00 | 1290 | 213-290-14-00 | 1340 | 213-291-20-00 | 1390 | 213-300-07-00 | 1440 | 168-041-13-02 | 1490 | 168-041-15-04 | 1540 | 168-041-17-06 | 1590 | 168-280-85-00 |
| 1241 | 213-282-05-00 | 1291 | 213-290-15-00 | 1341 | 213-291-21-00 | 1391 | 213-300-08-00 | 1441 | 168-041-13-03 | 1491 | 168-041-15-05 | 1541 | 168-041-17-07 | 1591 | 168-280-86-00 |
| 1242 | 213-282-06-00 | 1292 | 213-290-16-00 | 1342 | 213-291-22-00 | 1392 | 213-300-09-00 | 1442 | 168-041-13-04 | 1492 | 168-041-15-06 | 1542 | 168-041-17-08 | 1592 | 168-280-87-00 |
| 1243 | 213-282-07-00 | 1293 | 213-290-17-00 | 1343 | 213-291-23-00 | 1393 | 213-300-10-00 | 1443 | 168-041-13-05 | 1493 | 168-041-15-07 | 1543 | 168-041-17-09 | 1593 | 168-280-88-00 |
| 1244 | 213-282-08-00 | 1294 | 213-290-18-00 | 1344 | 213-291-24-00 | 1394 | 213-300-11-00 | 1444 | 168-041-13-06 | 1494 | 168-041-15-08 | 1544 | 168-041-17-10 | 1594 | 168-280-89-00 |
| 1245 | 213-282-09-00 | 1295 | 213-290-19-00 | 1345 | 213-291-25-00 | 1395 | 213-300-12-01 | 1445 | 168-041-13-07 | 1495 | 168-041-15-09 | 1545 | 168-041-17-11 | 1595 | 168-280-90-00 |
| 1246 | 213-282-10-00 | 1296 | 213-290-20-00 | 1346 | 213-291-26-00 | 1396 | 213-300-12-02 | 1446 | 168-041-13-08 | 1496 | 168-041-15-10 | 1546 | 168-041-17-12 | 1596 | 168-280-91-00 |
| 1247 | 213-282-11-00 | 1297 | 213-290-21-00 | 1347 | 213-291-27-00 | 1397 | 213-300-12-03 | 1447 | 168-041-13-09 | 1497 | 168-041-15-11 | 1547 | 168-041-18-01 | 1597 | 168-280-92-00 |
| 1248 | 213-282-12-00 | 1298 | 213-290-22-00 | 1348 | 213-291-28-00 | 1398 | 213-300-12-04 | 1448 | 168-041-13-10 | 1498 | 168-041-15-12 | 1548 | 168-041-18-02 | 1598 | 168-280-93-00 |
| 1249 | 213-282-13-00 | 1299 | 213-290-23-00 | 1349 | 213-291-29-00 | 1399 | 213-300-13-00 | 1449 | 168-041-13-11 | 1499 | 168-041-15-13 | 1549 | 168-041-18-03 | 1599 | 168-280-94-00 |
| 1250 | 213-282-14-00 | 1300 | 213-290-24-00 | 1350 | 213-291-30-00 | 1400 | 213-300-14-00 | 1450 | 168-041-13-12 | 1500 | 168-041-15-14 | 1550 | 168-041-18-04 | 1600 | 168-280-95-00 |

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1001 Third Street, Suite 200, Carlsbad, CA 92008
619-434-7800

REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

| Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN | Reassessment Number | APN |
|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| 1601 | 168-320-28-00 | 1651 | 168-321-39-00 | 1701 | 168-331-19-00 | 1751 | 168-331-69-00 | 1801 | 168-340-03-09 | 1851 | 168-341-06-17 | 1901 | 168-341-08-16 | 1951 | 168-352-02-00 |
| 1602 | 168-320-29-00 | 1652 | 168-321-40-00 | 1702 | 168-331-20-00 | 1752 | 168-331-70-00 | 1802 | 168-340-03-10 | 1852 | 168-341-06-18 | 1902 | 168-341-08-17 | 1952 | 168-352-03-00 |
| 1603 | 168-320-30-00 | 1653 | 168-321-41-00 | 1703 | 168-331-21-00 | 1753 | 168-331-71-00 | 1803 | 168-340-03-11 | 1853 | 168-341-06-19 | 1903 | 168-341-08-18 | 1953 | 168-352-04-00 |
| 1604 | 168-320-31-00 | 1654 | 168-321-42-00 | 1704 | 168-331-22-00 | 1754 | 168-331-72-00 | 1804 | 168-340-03-12 | 1854 | 168-341-06-20 | 1904 | 168-341-08-19 | 1954 | 168-352-05-00 |
| 1605 | 168-320-32-00 | 1655 | 168-321-43-00 | 1705 | 168-331-23-00 | 1755 | 168-331-73-00 | 1805 | 168-340-03-13 | 1855 | 168-341-06-21 | 1905 | 168-341-08-20 | 1955 | 168-352-06-00 |
| 1606 | 168-320-33-00 | 1656 | 168-321-44-00 | 1706 | 168-331-24-00 | 1756 | 168-331-74-00 | 1806 | 168-340-03-14 | 1856 | 168-341-06-22 | 1906 | 168-341-08-21 | 1956 | 168-352-07-00 |
| 1607 | 168-320-34-00 | 1657 | 168-330-01-00 | 1707 | 168-331-25-00 | 1757 | 168-331-75-00 | 1807 | 168-340-03-15 | 1857 | 168-341-06-23 | 1907 | 168-341-08-22 | 1957 | 168-352-08-00 |
| 1608 | 168-320-35-00 | 1658 | 168-330-02-00 | 1708 | 168-331-26-00 | 1758 | 168-331-76-00 | 1808 | 168-340-03-16 | 1858 | 168-341-06-24 | 1908 | 168-341-08-23 | 1958 | 168-352-09-00 |
| 1609 | 168-320-36-00 | 1659 | 168-330-03-00 | 1709 | 168-331-27-00 | 1759 | 168-331-77-00 | 1809 | 168-340-03-17 | 1859 | 168-341-06-25 | 1909 | 168-341-08-24 | 1959 | 168-352-10-00 |
| 1610 | 168-320-37-00 | 1660 | 168-330-04-00 | 1710 | 168-331-28-00 | 1760 | 168-331-78-00 | 1810 | 168-340-03-18 | 1860 | 168-341-06-26 | 1910 | 168-341-08-25 | 1960 | 168-352-11-00 |
| 1611 | 168-320-38-00 | 1661 | 168-330-05-00 | 1711 | 168-331-29-00 | 1761 | 168-331-79-00 | 1811 | 168-340-03-19 | 1861 | 168-341-06-27 | 1911 | 168-341-08-26 | 1961 | 168-352-12-00 |
| 1612 | 168-320-39-00 | 1662 | 168-330-06-00 | 1712 | 168-331-30-00 | 1762 | 168-331-80-00 | 1812 | 168-340-03-20 | 1862 | 168-341-06-28 | 1912 | 168-341-08-27 | 1962 | 168-352-13-00 |
| 1613 | 168-320-40-00 | 1663 | 168-330-07-00 | 1713 | 168-331-31-00 | 1763 | 168-331-81-00 | 1813 | 168-340-03-21 | 1863 | 168-341-06-29 | 1913 | 168-341-08-28 | 1963 | 168-352-14-00 |
| 1614 | 168-321-01-00 | 1664 | 168-330-08-00 | 1714 | 168-331-32-00 | 1764 | 168-331-82-00 | 1814 | 168-340-03-22 | 1864 | 168-341-06-30 | 1914 | 168-341-08-29 | 1964 | 168-352-15-00 |
| 1615 | 168-321-02-00 | 1665 | 168-330-09-00 | 1715 | 168-331-33-00 | 1765 | 168-331-83-00 | 1815 | 168-340-03-23 | 1865 | 168-341-06-31 | 1915 | 168-341-08-30 | 1965 | 168-352-16-00 |
| 1616 | 168-321-03-00 | 1666 | 168-330-10-00 | 1716 | 168-331-34-00 | 1766 | 168-331-84-00 | 1816 | 168-340-03-24 | 1866 | 168-341-06-32 | 1916 | 168-341-08-31 | 1966 | 168-352-17-00 |
| 1617 | 168-321-04-00 | 1667 | 168-330-11-00 | 1717 | 168-331-35-00 | 1767 | 168-331-85-00 | 1817 | 168-341-05-01 | 1867 | 168-341-07-36 | 1917 | 168-350-11-00 | 1967 | 168-352-18-00 |
| 1618 | 168-321-05-00 | 1668 | 168-330-12-00 | 1718 | 168-331-36-00 | 1768 | 168-331-86-00 | 1818 | 168-341-05-02 | 1868 | 168-341-07-37 | 1918 | 168-350-12-00 | 1968 | 168-352-19-00 |
| 1619 | 168-321-06-00 | 1669 | 168-330-13-00 | 1719 | 168-331-37-00 | 1769 | 168-331-87-00 | 1819 | 168-341-05-03 | 1869 | 168-341-07-38 | 1919 | 168-350-13-00 | 1969 | 168-352-20-00 |
| 1620 | 168-321-07-00 | 1670 | 168-330-14-00 | 1720 | 168-331-38-00 | 1770 | 168-331-88-00 | 1820 | 168-341-05-04 | 1870 | 168-341-07-39 | 1920 | 168-350-14-00 | 1970 | 168-352-21-00 |
| 1621 | 168-321-08-00 | 1671 | 168-330-15-00 | 1721 | 168-331-39-00 | 1771 | 168-331-89-00 | 1821 | 168-341-05-05 | 1871 | 168-341-07-40 | 1921 | 168-350-15-00 | 1971 | 168-352-22-00 |
| 1622 | 168-321-09-00 | 1672 | 168-330-16-00 | 1722 | 168-331-40-00 | 1772 | 168-340-02-01 | 1822 | 168-341-05-06 | 1872 | 168-341-07-41 | 1922 | 168-350-16-00 | 1972 | 168-352-23-00 |
| 1623 | 168-321-10-00 | 1673 | 168-330-17-00 | 1723 | 168-331-41-00 | 1773 | 168-340-02-02 | 1823 | 168-341-05-07 | 1873 | 168-341-07-42 | 1923 | 168-350-17-00 | 1973 | 168-352-24-00 |
| 1624 | 168-321-11-00 | 1674 | 168-330-18-00 | 1724 | 168-331-42-00 | 1774 | 168-340-02-03 | 1824 | 168-341-05-08 | 1874 | 168-341-07-43 | 1924 | 168-350-18-00 | 1974 | 168-352-25-00 |
| 1625 | 168-321-12-00 | 1675 | 168-330-19-00 | 1725 | 168-331-43-00 | 1775 | 168-340-02-04 | 1825 | 168-341-05-09 | 1875 | 168-341-07-44 | 1925 | 168-350-19-00 | 1975 | 168-352-26-00 |
| 1626 | 168-321-13-00 | 1676 | 168-330-20-00 | 1726 | 168-331-44-00 | 1776 | 168-340-02-05 | 1826 | 168-341-05-10 | 1876 | 168-341-07-45 | 1926 | 168-350-20-00 | 1976 | 168-352-27-00 |
| 1627 | 168-321-14-00 | 1677 | 168-330-21-00 | 1727 | 168-331-45-00 | 1777 | 168-340-02-06 | 1827 | 168-341-05-11 | 1877 | 168-341-07-46 | 1927 | 168-350-21-00 | 1977 | 168-352-28-00 |
| 1628 | 168-321-15-00 | 1678 | 168-330-22-00 | 1728 | 168-331-46-00 | 1778 | 168-340-02-07 | 1828 | 168-341-05-12 | 1878 | 168-341-07-47 | 1928 | 168-350-22-00 | 1978 | 168-352-29-00 |
| 1629 | 168-321-16-00 | 1679 | 168-330-23-00 | 1729 | 168-331-47-00 | 1779 | 168-340-02-08 | 1829 | 168-341-05-13 | 1879 | 168-341-07-48 | 1929 | 168-350-23-00 | 1979 | 168-352-30-00 |
| 1630 | 168-321-17-00 | 1680 | 168-330-24-00 | 1730 | 168-331-48-00 | 1780 | 168-340-02-09 | 1830 | 168-341-05-14 | 1880 | 168-341-07-49 | 1930 | 168-350-24-00 | 1980 | 168-352-31-00 |
| 1631 | 168-321-18-00 | 1681 | 168-330-25-00 | 1731 | 168-331-49-00 | 1781 | 168-340-02-10 | 1831 | 168-341-05-15 | 1881 | 168-341-07-50 | 1931 | 168-350-25-00 | 1981 | 168-352-32-00 |
| 1632 | 168-321-20-00 | 1682 | 168-330-26-00 | 1732 | 168-331-50-00 | 1782 | 168-340-02-11 | 1832 | 168-341-05-16 | 1882 | 168-341-07-51 | 1932 | 168-350-26-00 | 1982 | 168-352-33-00 |
| 1633 | 168-321-21-00 | 1683 | 168-331-01-00 | 1733 | 168-331-51-00 | 1783 | 168-340-02-12 | 1833 | 168-341-05-17 | 1883 | 168-341-07-52 | 1933 | 168-350-27-00 | 1983 | 168-352-34-00 |
| 1634 | 168-321-22-00 | 1684 | 168-331-02-00 | 1734 | 168-331-52-00 | 1784 | 168-340-02-13 | 1834 | 168-341-05-18 | 1884 | 168-341-07-53 | 1934 | 168-350-28-00 | 1984 | 168-352-35-00 |
| 1635 | 168-321-23-00 | 1685 | 168-331-03-00 | 1735 | 168-331-53-00 | 1785 | 168-340-02-14 | 1835 | 168-341-05-19 | 1885 | 168-341-07-54 | 1935 | 168-350-29-00 | 1985 | 168-352-36-00 |
| 1636 | 168-321-24-00 | 1686 | 168-331-04-00 | 1736 | 168-331-54-00 | 1786 | 168-340-02-15 | 1836 | 168-341-05-20 | 1886 | 168-341-07-55 | 1936 | 168-350-30-00 | 1986 | 168-352-37-00 |
| 1637 | 168-321-25-00 | 1687 | 168-331-05-00 | 1737 | 168-331-55-00 | 1787 | 168-340-02-16 | 1837 | 168-341-05-21 | 1887 | 168-341-07-56 | 1937 | 168-350-31-00 | 1987 | 168-352-38-00 |
| 1638 | 168-321-26-00 | 1688 | 168-331-06-00 | 1738 | 168-331-56-00 | 1788 | 168-340-02-17 | 1838 | 168-341-05-22 | 1888 | 168-341-07-57 | 1938 | 168-350-32-00 | 1988 | 168-352-39-00 |
| 1639 | 168-321-27-00 | 1689 | 168-331-07-00 | 1739 | 168-331-57-00 | 1789 | 168-340-02-18 | 1839 | 168-341-05-23 | 1889 | 168-341-07-58 | 1939 | 168-350-33-00 | 1989 | 168-352-40-00 |
| 1640 | 168-321-28-00 | 1690 | 168-331-08-00 | 1740 | 168-331-58-00 | 1790 | 168-340-02-19 | 1840 | 168-341-05-24 | 1890 | 168-341-07-59 | 1940 | 168-350-34-00 | 1990 | 168-352-41-00 |
| 1641 | 168-321-29-00 | 1691 | 168-331-09-00 | 1741 | 168-331-59-00 | 1791 | 168-340-02-20 | 1841 | 168-341-05-25 | 1891 | 168-341-07-60 | 1941 | 168-350-35-00 | 1991 | 168-352-42-00 |
| 1642 | 168-321-30-00 | 1692 | 168-331-10-00 | 1742 | 168-331-60-00 | 1792 | 168-340-02-21 | 1842 | 168-341-05-26 | 1892 | 168-341-07-61 | 1942 | 168-351-01-00 | 1992 | 168-352-43-00 |
| 1643 | 168-321-31-00 | 1693 | 168-331-11-00 | 1743 | 168-331-61-00 | 1793 | 168-340-02-22 | 1843 | 168-341-05-27 | 1893 | 168-341-07-62 | 1943 | 168-351-02-00 | 1993 | 168-352-44-00 |
| 1644 | 168-321-32-00 | 1694 | 168-331-12-00 | 1744 | 168-331-62-00 | 1794 | 168-340-03-01 | 1844 | 168-341-05-28 | 1894 | 168-341-07-63 | 1944 | 168-351-03-00 | 1994 | 168-352-45-00 |
| 1645 | 168-321-33-00 | 1695 | 168-331-13-00 | 1745 | 168-331-63-00 | 1795 | 168-340-03-02 | 1845 | 168-341-05-29 | 1895 | 168-341-07-64 | 1945 | 168-351-04-00 | 1995 | 168-352-46-00 |
| 1646 | 168-321-34-00 | 1696 | 168-331-14-00 | 1746 | 168-331-64-00 | 1796 | 168-340-03-03 | 1846 | 168-341-05-30 | 1896 | 168-341-07-65 | 1946 | 168-351-05-00 | 1996 | 168-352-47-00 |
| 1647 | 168-321-35-00 | 1697 | 168-331-15-00 | 1747 | 168-331-65-00 | 1797 | 168-340-03-04 | 1847 | 168-341-05-31 | 1897 | 168-341-07-66 | 1947 | 168-351-06-00 | 1997 | 168-352-48-00 |
| 1648 | 168-321-36-00 | 1698 | 168-331-16-00 | 1748 | 168-331-66-00 | 1798 | 168-340-03-05 | 1848 | 168-341-05-32 | 1898 | 168-341-07-67 | 1948 | 168-351-07-00 | 1998 | 168-352-49-00 |
| 1649 | 168-321-37-00 | 1699 | 168-331-17-00 | 1749 | 168-331-67-00 | 1799 | 168-340-03-06 | 1849 | 168-341-05-33 | 1899 | 168-341-07-68 | 1949 | 168-351-08-00 | 1999 | 168-352-50-00 |
| 1650 | 168-321-38-00 | 1700 | 168-331-18-00 | 1750 | 168-331-68-00 | 1800 | 168-340-03-08 | 1850 | 168-341-05-34 | 1900 | 168-341-07-69 | 1950 | 168-351-09-00 | 2000 | 168-352-51-00 |

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REASSESSMENT DIAGRAM CITY OF CARLSBAD REASSESSMENT DISTRICT 2012-1

CITY OF CARLSBAD
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

| Reassessment Number | APN |
|------------------------|---------------|
| 2001 | 168-353-10-00 |
| 2002 | 168-353-11-00 |
| 2003 | 168-353-12-00 |
| 2004 | 168-353-13-00 |
| 2005 | 168-353-14-00 |
| 2006 | 168-353-15-00 |
| 2007 | 168-353-16-00 |
| 2008 | 168-353-17-00 |
| 2009 | 168-353-18-00 |
| 2010 | 168-353-19-00 |
| 2011 | 168-353-20-00 |
| 2012 | 168-353-21-00 |
| 2013 | 168-353-22-00 |
| 2014 | 168-353-23-00 |
| 2015 | 168-353-24-00 |
| 2016 | 168-353-25-00 |
| 2017 | 168-353-26-00 |
| 2018 | 168-353-27-00 |
| 2019 | 168-353-28-00 |
| 2020 | 168-353-29-00 |

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APPENDIX B

EXCEPTS FROM REASSESSMENT REPORT

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City of Carlsbad

City of Carlsbad Reassessment District No. 2012-1

Final Reassessment Report

January 30, 2013

Main Office

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

Regional Office

870 Market Street, Suite 1223
San Francisco, CA 94102
Toll free: 800.434.8349 Fax: 415.391.8439

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REASSESSMENT

WHEREAS, on January 8, 2013, the City Council of the City of Carlsbad (the "City"), pursuant to the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds (the "Act"), adopted Resolution No. 2013-022 (the "Resolution of Intention") declaring its intention to refund the outstanding bonds (the "Prior Bonds") of Assessment District No. 2002-01 (Poinsettia Lane East) and Assessment District No. 2003-01 (College Boulevard and Cannon Road East) Benefit Area No. 1 (Calaveras Hills II) (the "Assessment Districts") and to levy reassessments on the property within the Assessment Districts as security for the refunding bonds;

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

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

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

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

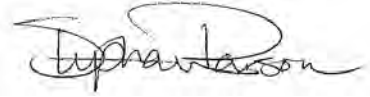
As required by the Act, a reassessment diagram hereto attached shows the Assessment Districts and also the boundaries and dimensions of the respective subdivisions of land within the Assessment Districts as the same existed at the time of the passage of the Resolution of Intention, each of which subdivisions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

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

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

Notice is hereby given that serial refunding bonds to represent unpaid reassessments and bear interest at the rate of not to exceed twelve percent (12%) per annum, will be issued thereunder in the manner provided by the Act, and the last installment of such refunding bonds shall mature not later than September 2, 2035.

Dated as of January 30, 2013

A handwritten signature in black ink, appearing to read "Stephanie Parson". The signature is written in a cursive style with a large, prominent initial "S".

Stephanie Parson, NBS

SOURCES AND USES OF FUNDS

| | Assessment District No. 2002-01 (Poinsettia Lane East) | Assessment District No. 2003-01 (College Boulevard and Cannon Road East) | Total |
|-----------------------------|---|---|------------------------|
| SOURCES: | | | |
| Bond Proceeds: | | | |
| Par Amount of Bonds | \$21,940,000.00 | \$9,360,000.00 | \$31,300,000.00 |
| Net Premium | <u>335,471.75</u> | <u>111,138.45</u> | <u>446,610.20</u> |
| | \$22,275,471.75 | \$9,471,138.45 | \$31,746,610.20 |
| Other Sources of Funds | | | |
| Debt Service Reserve Fund | \$2,498,392.93 | \$1,200,420.87 | \$3,698,813.80 |
| December 10 Installments | 1,141,873.18 | 445,477.84 | 1,587,351.02 |
| Surplus Construction Funds | 4,467,940.83 | 0.00 | 4,467,940.83 |
| Surplus Redemption Funds | <u>827,815.65</u> | <u>135,437.08</u> | <u>963,252.73</u> |
| | \$8,936,022.59 | \$1,781,335.79 | \$10,717,358.38 |
| TOTAL SOURCES | \$31,211,494.34 | \$11,252,474.24 | \$42,463,968.58 |
| USES: | | | |
| Refunding Escrow Deposits: | | | |
| Cash Deposit | \$29,345,946.25 | \$10,453,598.75 | \$39,799,545.00 |
| Other Fund Deposits: | | | |
| Debt Service Reserve Fund | 1,514,951.76 | 646,305.76 | 2,161,257.52 |
| Delivery Date Expenses: | | | |
| Cost of Issuance | 140,381.92 | 61,952.47 | 202,334.39 |
| Underwriter's Discount | 210,214.41 | 90,617.26 | 300,831.67 |
| TOTAL USES | \$31,211,494.34 | \$11,252,474.24 | \$42,463,968.58 |

DEBT SERVICE SCHEDULES

**Assessment District No. 2002-01
(Poinsettia Lane East)
Refunded Bonds Original Debt Service Schedule**

| Payment Date | Interest Rate | Principal | Interest | Semi-Annual Payment | Total |
|---------------------|----------------------|------------------------|------------------------|----------------------------|------------------------|
| 9/2/2013 | 4.100% | \$715,000.00 | \$718,339.38 | \$1,433,339.38 | \$1,433,339.38 |
| 3/2/2014 | | | 703,681.88 | 703,681.88 | |
| 9/2/2014 | 4.250% | 745,000.00 | 703,681.88 | 1,448,681.88 | 2,152,363.75 |
| 3/2/2015 | | | 687,850.63 | 687,850.63 | |
| 9/2/2015 | 4.400% | 775,000.00 | 687,850.63 | 1,462,850.63 | 2,150,701.25 |
| 3/2/2016 | | | 670,800.63 | 670,800.63 | |
| 9/2/2016 | 4.500% | 810,000.00 | 670,800.63 | 1,480,800.63 | 2,151,601.25 |
| 3/2/2017 | | | 652,575.63 | 652,575.63 | |
| 9/2/2017 | 4.550% | 845,000.00 | 652,575.63 | 1,497,575.63 | 2,150,151.25 |
| 3/2/2018 | | | 633,351.88 | 633,351.88 | |
| 9/2/2018 | 4.650% | 885,000.00 | 633,351.88 | 1,518,351.88 | 2,151,703.75 |
| 3/2/2019 | | | 612,775.63 | 612,775.63 | |
| 9/2/2019 | 4.750% | 925,000.00 | 612,775.63 | 1,537,775.63 | 2,150,551.25 |
| 3/2/2020 | | | 590,806.88 | 590,806.88 | |
| 9/2/2020 | 4.850% | 970,000.00 | 590,806.88 | 1,560,806.88 | 2,151,613.75 |
| 3/2/2021 | | | 567,284.38 | 567,284.38 | |
| 9/2/2021 | 4.875% | 1,015,000.00 | 567,284.38 | 1,582,284.38 | 2,149,568.75 |
| 3/2/2022 | | | 542,543.75 | 542,543.75 | |
| 9/2/2022 | 5.000% | 1,065,000.00 | 542,543.75 | 1,607,543.75 | 2,150,087.50 |
| 3/2/2023 | | | 515,918.75 | 515,918.75 | |
| 9/2/2023 | 5.050% | 1,120,000.00 | 515,918.75 | 1,635,918.75 | 2,151,837.50 |
| 3/2/2024 | | | 487,638.75 | 487,638.75 | |
| 9/2/2024 | 5.050% | 1,175,000.00 | 487,638.75 | 1,662,638.75 | 2,150,277.50 |
| 3/2/2025 | | | 457,970.00 | 457,970.00 | |
| 9/2/2025 | 5.150% | 1,235,000.00 | 457,970.00 | 1,692,970.00 | 2,150,940.00 |
| 3/2/2026 | | | 426,168.75 | 426,168.75 | |
| 9/2/2026 | 5.150% | 1,295,000.00 | 426,168.75 | 1,721,168.75 | 2,147,337.50 |
| 3/2/2027 | | | 392,822.50 | 392,822.50 | |
| 9/2/2027 | 5.150% | 1,365,000.00 | 392,822.50 | 1,757,822.50 | 2,150,645.00 |
| 3/2/2028 | | | 357,673.75 | 357,673.75 | |
| 9/2/2028 | 5.150% | 1,435,000.00 | 357,673.75 | 1,792,673.75 | 2,150,347.50 |
| 3/2/2029 | | | 320,722.50 | 320,722.50 | |
| 9/2/2029 | 5.150% | 1,510,000.00 | 320,722.50 | 1,830,722.50 | 2,151,445.00 |
| 3/2/2030 | | | 281,840.00 | 281,840.00 | |
| 9/2/2030 | 5.200% | 1,585,000.00 | 281,840.00 | 1,866,840.00 | 2,148,680.00 |
| 3/2/2031 | | | 240,630.00 | 240,630.00 | |
| 9/2/2031 | 5.200% | 1,670,000.00 | 240,630.00 | 1,910,630.00 | 2,151,260.00 |
| 3/2/2032 | | | 197,210.00 | 197,210.00 | |
| 9/2/2032 | 5.200% | 1,755,000.00 | 197,210.00 | 1,952,210.00 | 2,149,420.00 |
| 3/2/2033 | | | 151,580.00 | 151,580.00 | |
| 9/2/2033 | 5.200% | 1,845,000.00 | 151,580.00 | 1,996,580.00 | 2,148,160.00 |
| 3/2/2034 | | | 103,610.00 | 103,610.00 | |
| 9/2/2034 | 5.200% | 1,940,000.00 | 103,610.00 | 2,043,610.00 | 2,147,220.00 |
| 3/2/2035 | | | 53,170.00 | 53,170.00 | |
| 9/2/2035 | 5.200% | 2,045,000.00 | 53,170.00 | 2,098,170.00 | 2,151,340.00 |
| Totals | | \$28,725,000.00 | \$20,015,591.88 | \$48,740,591.88 | \$48,740,591.88 |

**Assessment District No. 2002-01
(Poinsettia Lane East)
Refunded Bonds Actual Debt Service Schedule
Net of all Bond Calls**

| Payment Date | Interest Rate | Principal | Interest | Semi-Annual Payment | Total |
|---------------------|----------------------|------------------------|------------------------|----------------------------|------------------------|
| 9/2/2013 | 4.100% | \$715,000.00 | \$715,946.25 | \$1,430,946.25 | \$1,430,946.25 |
| 3/2/2014 | | | 701,288.75 | 701,288.75 | |
| 9/2/2014 | 4.250% | 745,000.00 | 701,288.75 | 1,446,288.75 | 2,147,577.50 |
| 3/2/2015 | | | 685,457.50 | 685,457.50 | |
| 9/2/2015 | 4.400% | 775,000.00 | 685,457.50 | 1,460,457.50 | 2,145,915.00 |
| 3/2/2016 | | | 668,407.50 | 668,407.50 | |
| 9/2/2016 | 4.500% | 810,000.00 | 668,407.50 | 1,478,407.50 | 2,146,815.00 |
| 3/2/2017 | | | 650,182.50 | 650,182.50 | |
| 9/2/2017 | 4.550% | 840,000.00 | 650,182.50 | 1,490,182.50 | 2,140,365.00 |
| 3/2/2018 | | | 631,072.50 | 631,072.50 | |
| 9/2/2018 | 4.650% | 880,000.00 | 631,072.50 | 1,511,072.50 | 2,142,145.00 |
| 3/2/2019 | | | 610,612.50 | 610,612.50 | |
| 9/2/2019 | 4.750% | 920,000.00 | 610,612.50 | 1,530,612.50 | 2,141,225.00 |
| 3/2/2020 | | | 588,762.50 | 588,762.50 | |
| 9/2/2020 | 4.850% | 965,000.00 | 588,762.50 | 1,553,762.50 | 2,142,525.00 |
| 3/2/2021 | | | 565,361.25 | 565,361.25 | |
| 9/2/2021 | 4.875% | 1,010,000.00 | 565,361.25 | 1,575,361.25 | 2,140,722.50 |
| 3/2/2022 | | | 540,742.50 | 540,742.50 | |
| 9/2/2022 | 5.000% | 1,060,000.00 | 540,742.50 | 1,600,742.50 | 2,141,485.00 |
| 3/2/2023 | | | 514,242.50 | 514,242.50 | |
| 9/2/2023 | 5.050% | 1,115,000.00 | 514,242.50 | 1,629,242.50 | 2,143,485.00 |
| 3/2/2024 | | | 486,088.75 | 486,088.75 | |
| 9/2/2024 | 5.050% | 1,170,000.00 | 486,088.75 | 1,656,088.75 | 2,142,177.50 |
| 3/2/2025 | | | 456,546.25 | 456,546.25 | |
| 9/2/2025 | 5.150% | 1,230,000.00 | 456,546.25 | 1,686,546.25 | 2,143,092.50 |
| 3/2/2026 | | | 424,873.75 | 424,873.75 | |
| 9/2/2026 | 5.150% | 1,290,000.00 | 424,873.75 | 1,714,873.75 | 2,139,747.50 |
| 3/2/2027 | | | 391,656.25 | 391,656.25 | |
| 9/2/2027 | 5.150% | 1,360,000.00 | 391,656.25 | 1,751,656.25 | 2,143,312.50 |
| 3/2/2028 | | | 356,636.25 | 356,636.25 | |
| 9/2/2028 | 5.150% | 1,430,000.00 | 356,636.25 | 1,786,636.25 | 2,143,272.50 |
| 3/2/2029 | | | 319,813.75 | 319,813.75 | |
| 9/2/2029 | 5.150% | 1,505,000.00 | 319,813.75 | 1,824,813.75 | 2,144,627.50 |
| 3/2/2030 | | | 281,060.00 | 281,060.00 | |
| 9/2/2030 | 5.200% | 1,580,000.00 | 281,060.00 | 1,861,060.00 | 2,142,120.00 |
| 3/2/2031 | | | 239,980.00 | 239,980.00 | |
| 9/2/2031 | 5.200% | 1,665,000.00 | 239,980.00 | 1,904,980.00 | 2,144,960.00 |
| 3/2/2032 | | | 196,690.00 | 196,690.00 | |
| 9/2/2032 | 5.200% | 1,750,000.00 | 196,690.00 | 1,946,690.00 | 2,143,380.00 |
| 3/2/2033 | | | 151,190.00 | 151,190.00 | |
| 9/2/2033 | 5.200% | 1,840,000.00 | 151,190.00 | 1,991,190.00 | 2,142,380.00 |
| 3/2/2034 | | | 103,350.00 | 103,350.00 | |
| 9/2/2034 | 5.200% | 1,935,000.00 | 103,350.00 | 2,038,350.00 | 2,141,700.00 |
| 3/2/2035 | | | 53,040.00 | 53,040.00 | |
| 9/2/2035 | 5.200% | 2,040,000.00 | 53,040.00 | 2,093,040.00 | 2,146,080.00 |
| Totals | | \$28,630,000.00 | \$19,950,056.25 | \$48,580,056.25 | \$48,580,056.25 |

**Assessment District No. 2002-01
(Poinsettia Lane East)
Refunded Parcel's Aggregate Amortization Schedule**

| Payment Date | Interest Rate | Principal | Interest | Semi-Annual Payment | Total |
|---------------------|----------------------|------------------------|------------------------|----------------------------|------------------------|
| 9/2/2013 | 4.100% | \$712,696.12 | \$716,024.74 | \$1,428,720.86 | \$1,428,720.86 |
| 3/2/2014 | | | 701,414.47 | 701,414.47 | |
| 9/2/2014 | 4.250% | 742,599.46 | 701,414.47 | 1,444,013.93 | 2,145,428.39 |
| 3/2/2015 | | | 685,634.23 | 685,634.23 | |
| 9/2/2015 | 4.400% | 772,502.79 | 685,634.23 | 1,458,137.02 | 2,143,771.25 |
| 3/2/2016 | | | 668,639.17 | 668,639.17 | |
| 9/2/2016 | 4.500% | 807,390.01 | 668,639.17 | 1,476,029.18 | 2,144,668.35 |
| 3/2/2017 | | | 650,472.89 | 650,472.89 | |
| 9/2/2017 | 4.550% | 842,277.24 | 650,472.89 | 1,492,750.13 | 2,143,223.02 |
| 3/2/2018 | | | 631,311.09 | 631,311.09 | |
| 9/2/2018 | 4.650% | 882,148.35 | 631,311.09 | 1,513,459.44 | 2,144,770.52 |
| 3/2/2019 | | | 610,801.14 | 610,801.14 | |
| 9/2/2019 | 4.750% | 922,019.46 | 610,801.14 | 1,532,820.60 | 2,143,621.74 |
| 3/2/2020 | | | 588,903.17 | 588,903.17 | |
| 9/2/2020 | 4.850% | 966,874.46 | 588,903.17 | 1,555,777.64 | 2,144,680.81 |
| 3/2/2021 | | | 565,456.47 | 565,456.47 | |
| 9/2/2021 | 4.875% | 1,011,729.46 | 565,456.47 | 1,577,185.93 | 2,142,642.40 |
| 3/2/2022 | | | 540,795.56 | 540,795.56 | |
| 9/2/2022 | 5.000% | 1,061,568.35 | 540,795.56 | 1,602,363.92 | 2,143,159.48 |
| 3/2/2023 | | | 514,256.35 | 514,256.35 | |
| 9/2/2023 | 5.050% | 1,116,391.13 | 514,256.35 | 1,630,647.49 | 2,144,903.84 |
| 3/2/2024 | | | 486,067.48 | 486,067.48 | |
| 9/2/2024 | 5.050% | 1,171,213.91 | 486,067.48 | 1,657,281.39 | 2,143,348.87 |
| 3/2/2025 | | | 456,494.33 | 456,494.33 | |
| 9/2/2025 | 5.150% | 1,231,020.58 | 456,494.33 | 1,687,514.91 | 2,144,009.23 |
| 3/2/2026 | | | 424,795.55 | 424,795.55 | |
| 9/2/2026 | 5.150% | 1,290,827.25 | 424,795.55 | 1,715,622.79 | 2,140,418.34 |
| 3/2/2027 | | | 391,556.75 | 391,556.75 | |
| 9/2/2027 | 5.150% | 1,360,601.69 | 391,556.75 | 1,752,158.44 | 2,143,715.18 |
| 3/2/2028 | | | 356,521.25 | 356,521.25 | |
| 9/2/2028 | 5.150% | 1,430,376.14 | 356,521.25 | 1,786,897.39 | 2,143,418.64 |
| 3/2/2029 | | | 319,689.07 | 319,689.07 | |
| 9/2/2029 | 5.150% | 1,505,134.47 | 319,689.07 | 1,824,823.54 | 2,144,512.61 |
| 3/2/2030 | | | 280,931.85 | 280,931.85 | |
| 9/2/2030 | 5.200% | 1,579,892.81 | 280,931.85 | 1,860,824.66 | 2,141,756.51 |
| 3/2/2031 | | | 239,854.64 | 239,854.64 | |
| 9/2/2031 | 5.200% | 1,664,618.92 | 239,854.64 | 1,904,473.56 | 2,144,328.20 |
| 3/2/2032 | | | 196,574.55 | 196,574.55 | |
| 9/2/2032 | 5.200% | 1,749,345.03 | 196,574.55 | 1,945,919.58 | 2,142,494.13 |
| 3/2/2033 | | | 151,091.58 | 151,091.58 | |
| 9/2/2033 | 5.200% | 1,839,055.03 | 151,091.58 | 1,990,146.61 | 2,141,238.19 |
| 3/2/2034 | | | 103,276.15 | 103,276.15 | |
| 9/2/2034 | 5.200% | 1,933,748.92 | 103,276.15 | 2,037,025.07 | 2,140,301.22 |
| 3/2/2035 | | | 52,998.68 | 52,998.68 | |
| 9/2/2035 | 5.200% | 2,038,410.59 | 52,998.68 | 2,091,409.27 | 2,144,407.94 |
| Totals | | \$28,632,442.19 | \$19,951,097.55 | \$48,583,539.74 | \$48,583,539.74 |

**Assessment District No. 2002-01
(Poinsettia Lane East)
Refunding Bonds Original Debt Service Schedule**

| Payment Date | Interest Rate | Principal | Interest | Semi-Annual Payment | Total |
|---------------------|----------------------|------------------------|------------------------|----------------------------|------------------------|
| 9/2/2013 | 2.000% | \$0.00 | \$486,468.60 | \$486,468.60 | \$486,468.60 |
| 3/2/2014 | | | 413,039.38 | 413,039.38 | |
| 9/2/2014 | 2.000% | 1,315,000 | 413,039.38 | 1,728,039.38 | 2,141,078.76 |
| 3/2/2015 | | | 399,889.38 | 399,889.38 | |
| 9/2/2015 | 2.000% | 700,000 | 399,889.38 | 1,099,889.38 | 1,499,778.76 |
| 3/2/2016 | | | 392,889.38 | 392,889.38 | |
| 9/2/2016 | 3.000% | 715,000 | 392,889.38 | 1,107,889.38 | 1,500,778.76 |
| 3/2/2017 | | | 382,164.38 | 382,164.38 | |
| 9/2/2017 | 3.000% | 725,000 | 382,164.38 | 1,107,164.38 | 1,489,328.76 |
| 3/2/2018 | | | 371,289.38 | 371,289.38 | |
| 9/2/2018 | 3.000% | 750,000 | 371,289.38 | 1,121,289.38 | 1,492,578.76 |
| 3/2/2019 | | | 360,039.38 | 360,039.38 | |
| 9/2/2019 | 3.000% | 770,000 | 360,039.38 | 1,130,039.38 | 1,490,078.76 |
| 3/2/2020 | | | 348,489.38 | 348,489.38 | |
| 9/2/2020 | 3.000% | 795,000 | 348,489.38 | 1,143,489.38 | 1,491,978.76 |
| 3/2/2021 | | | 336,564.38 | 336,564.38 | |
| 9/2/2021 | 3.150% | 820,000 | 336,564.38 | 1,156,564.38 | 1,493,128.76 |
| 3/2/2022 | | | 323,649.38 | 323,649.38 | |
| 9/2/2022 | 3.375% | 845,000 | 323,649.38 | 1,168,649.38 | 1,492,298.76 |
| 3/2/2023 | | | 309,390.00 | 309,390.00 | |
| 9/2/2023 | 3.550% | 875,000 | 309,390.00 | 1,184,390.00 | 1,493,780.00 |
| 3/2/2024 | | | 293,858.75 | 293,858.75 | |
| 9/2/2024 | 3.700% | 905,000 | 293,858.75 | 1,198,858.75 | 1,492,717.50 |
| 3/2/2025 | | | 277,116.25 | 277,116.25 | |
| 9/2/2025 | 3.800% | 940,000 | 277,116.25 | 1,217,116.25 | 1,494,232.50 |
| 3/2/2026 | | | 259,256.25 | 259,256.25 | |
| 9/2/2026 | 3.900% | 975,000 | 259,256.25 | 1,234,256.25 | 1,493,512.50 |
| 3/2/2027 | | | 240,243.75 | 240,243.75 | |
| 9/2/2027 | 4.000% | 1,015,000 | 240,243.75 | 1,255,243.75 | 1,495,487.50 |
| 3/2/2028 | | | 219,943.75 | 219,943.75 | |
| 9/2/2028 | 4.000% | 1,055,000 | 219,943.75 | 1,274,943.75 | 1,494,887.50 |
| 3/2/2029 | | | 198,843.75 | 198,843.75 | |
| 9/2/2029 | 4.125% | 1,100,000 | 198,843.75 | 1,298,843.75 | 1,497,687.50 |
| 3/2/2030 | | | 176,156.25 | 176,156.25 | |
| 9/2/2030 | 4.125% | 1,140,000 | 176,156.25 | 1,316,156.25 | 1,492,312.50 |
| 3/2/2031 | | | 152,643.75 | 152,643.75 | |
| 9/2/2031 | 4.125% | 1,190,000 | 152,643.75 | 1,342,643.75 | 1,495,287.50 |
| 3/2/2032 | | | 128,100.00 | 128,100.00 | |
| 9/2/2032 | 4.250% | 1,240,000 | 128,100.00 | 1,368,100.00 | 1,496,200.00 |
| 3/2/2033 | | | 101,750.00 | 101,750.00 | |
| 9/2/2033 | 5.000% | 1,290,000 | 101,750.00 | 1,391,750.00 | 1,493,500.00 |
| 3/2/2034 | | | 69,500.00 | 69,500.00 | |
| 9/2/2034 | 5.000% | 1,355,000 | 69,500.00 | 1,424,500.00 | 1,494,000.00 |
| 3/2/2035 | | | 35,625.00 | 35,625.00 | |
| 9/2/2035 | 5.000% | 1,425,000 | 35,625.00 | 1,460,625.00 | 1,496,250.00 |
| Totals | | \$21,940,000.00 | \$12,067,352.35 | \$34,007,352.35 | \$34,007,352.44 |

**Assessment District No. 2002-01
(Poinsettia Lane East)**

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

| Payment Date | Refunded Parcel Aggregate | | Refunding Bonds | | Savings | | Annual Total |
|---------------|---------------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|------------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | |
| 9/2/2013 | \$712,696.12 | \$716,024.74 | \$0.00 | \$486,468.60 | \$712,696.12 | \$229,556.14 | \$942,252.27 |
| 3/2/2014 | | 701,414.47 | | 413,039.38 | | 288,375.09 | |
| 9/2/2014 | 742,599.46 | 701,414.47 | 1,315,000.00 | 413,039.38 | (572,400.54) | 288,375.09 | 4,349.64 |
| 3/2/2015 | | 685,634.23 | | 399,889.38 | | 285,744.85 | |
| 9/2/2015 | 772,502.79 | 685,634.23 | 700,000.00 | 399,889.38 | 72,502.79 | 285,744.85 | 643,992.50 |
| 3/2/2016 | | 668,639.17 | | 392,889.38 | | 275,749.79 | |
| 9/2/2016 | 807,390.01 | 668,639.17 | 715,000.00 | 392,889.38 | 92,390.01 | 275,749.79 | 643,889.60 |
| 3/2/2017 | | 650,472.89 | | 382,164.38 | | 268,308.52 | |
| 9/2/2017 | 842,277.24 | 650,472.89 | 725,000.00 | 382,164.38 | 117,277.24 | 268,308.52 | 653,894.27 |
| 3/2/2018 | | 631,311.09 | | 371,289.38 | | 260,021.71 | |
| 9/2/2018 | 882,148.35 | 631,311.09 | 750,000.00 | 371,289.38 | 132,148.35 | 260,021.71 | 652,191.77 |
| 3/2/2019 | | 610,801.14 | | 360,039.38 | | 250,761.76 | |
| 9/2/2019 | 922,019.46 | 610,801.14 | 770,000.00 | 360,039.38 | 152,019.46 | 250,761.76 | 653,542.99 |
| 3/2/2020 | | 588,903.17 | | 348,489.38 | | 240,413.80 | |
| 9/2/2020 | 966,874.46 | 588,903.17 | 795,000.00 | 348,489.38 | 171,874.46 | 240,413.80 | 652,702.06 |
| 3/2/2021 | | 565,456.47 | | 336,564.38 | | 228,892.09 | |
| 9/2/2021 | 1,011,729.46 | 565,456.47 | 820,000.00 | 336,564.38 | 191,729.46 | 228,892.09 | 649,513.65 |
| 3/2/2022 | | 540,795.56 | | 323,649.38 | | 217,146.19 | |
| 9/2/2022 | 1,061,568.35 | 540,795.56 | 845,000.00 | 323,649.38 | 216,568.35 | 217,146.19 | 650,860.73 |
| 3/2/2023 | | 514,256.35 | | 309,390.00 | | 204,866.35 | |
| 9/2/2023 | 1,116,391.13 | 514,256.35 | 875,000.00 | 309,390.00 | 241,391.13 | 204,866.35 | 651,123.84 |
| 3/2/2024 | | 486,067.48 | | 293,858.75 | | 192,208.73 | |
| 9/2/2024 | 1,171,213.91 | 486,067.48 | 905,000.00 | 293,858.75 | 266,213.91 | 192,208.73 | 650,631.37 |
| 3/2/2025 | | 456,494.33 | | 277,116.25 | | 179,378.08 | |
| 9/2/2025 | 1,231,020.58 | 456,494.33 | 940,000.00 | 277,116.25 | 291,020.58 | 179,378.08 | 649,776.73 |
| 3/2/2026 | | 424,795.55 | | 259,256.25 | | 165,539.30 | |
| 9/2/2026 | 1,290,827.25 | 424,795.55 | 975,000.00 | 259,256.25 | 315,827.25 | 165,539.30 | 646,905.84 |
| 3/2/2027 | | 391,556.75 | | 240,243.75 | | 151,313.00 | |
| 9/2/2027 | 1,360,601.69 | 391,556.75 | 1,015,000.00 | 240,243.75 | 345,601.69 | 151,313.00 | 648,227.68 |
| 3/2/2028 | | 356,521.25 | | 219,943.75 | | 136,577.50 | |
| 9/2/2028 | 1,430,376.14 | 356,521.25 | 1,055,000.00 | 219,943.75 | 375,376.14 | 136,577.50 | 648,531.14 |
| 3/2/2029 | | 319,689.07 | | 198,843.75 | | 120,845.32 | |
| 9/2/2029 | 1,505,134.47 | 319,689.07 | 1,100,000.00 | 198,843.75 | 405,134.47 | 120,845.32 | 646,825.11 |
| 3/2/2030 | | 280,931.85 | | 176,156.25 | | 104,775.60 | |
| 9/2/2030 | 1,579,892.81 | 280,931.85 | 1,140,000.00 | 176,156.25 | 439,892.81 | 104,775.60 | 649,444.01 |
| 3/2/2031 | | 239,854.64 | | 152,643.75 | | 87,210.89 | |
| 9/2/2031 | 1,664,618.92 | 239,854.64 | 1,190,000.00 | 152,643.75 | 474,618.92 | 87,210.89 | 649,040.70 |
| 3/2/2032 | | 196,574.55 | | 128,100.00 | | 68,474.55 | |
| 9/2/2032 | 1,749,345.03 | 196,574.55 | 1,240,000.00 | 128,100.00 | 509,345.03 | 68,474.55 | 646,294.13 |
| 3/2/2033 | | 151,091.58 | | 101,750.00 | | 49,341.58 | |
| 9/2/2033 | 1,839,055.03 | 151,091.58 | 1,290,000.00 | 101,750.00 | 549,055.03 | 49,341.58 | 647,738.19 |
| 3/2/2034 | | 103,276.15 | | 69,500.00 | | 33,776.15 | |
| 9/2/2034 | 1,933,748.92 | 103,276.15 | 1,355,000.00 | 69,500.00 | 578,748.92 | 33,776.15 | 646,301.22 |
| 3/2/2035 | | 52,998.68 | | 35,625.00 | | 17,373.68 | |
| 9/2/2032 | 2,038,410.59 | 52,998.68 | 1,425,000.00 | 35,625.00 | 613,410.59 | 17,373.68 | 648,157.94 |
| Totals | \$28,632,442.19 | \$19,951,097.55 | \$21,940,000.00 | \$12,067,352.35 | \$6,692,442.19 | \$7,883,745.21 | \$14,576,187.40 |

**Assessment District No. 2003-01
(College Boulevard and Cannon Road East)
Benefit Area No. 1 (Calaveras Hills II)
Refunded Bonds Original Debt Service Schedule**

| Payment Date | Interest Rate | Principal | Interest | Semi-Annual Payment | Total |
|---------------------|----------------------|------------------------|-----------------------|----------------------------|------------------------|
| 9/2/2013 | 5.150% | \$240,000.00 | \$298,898.75 | \$538,898.75 | \$538,898.75 |
| 3/2/2014 | | | 292,718.75 | 292,718.75 | |
| 9/2/2014 | 5.300% | 255,000.00 | 292,718.75 | 547,718.75 | 840,437.50 |
| 3/2/2015 | | | 285,961.25 | 285,961.25 | |
| 9/2/2015 | 5.400% | 270,000.00 | 285,961.25 | 555,961.25 | 841,922.50 |
| 3/2/2016 | | | 278,671.25 | 278,671.25 | |
| 9/2/2016 | 5.500% | 285,000.00 | 278,671.25 | 563,671.25 | 842,342.50 |
| 3/2/2017 | | | 270,833.75 | 270,833.75 | |
| 9/2/2017 | 5.600% | 300,000.00 | 270,833.75 | 570,833.75 | 841,667.50 |
| 3/2/2018 | | | 262,433.75 | 262,433.75 | |
| 9/2/2018 | 5.650% | 315,000.00 | 262,433.75 | 577,433.75 | 839,867.50 |
| 3/2/2019 | | | 253,535.00 | 253,535.00 | |
| 9/2/2019 | 5.700% | 335,000.00 | 253,535.00 | 588,535.00 | 842,070.00 |
| 3/2/2020 | | | 243,987.50 | 243,987.50 | |
| 9/2/2020 | 5.750% | 350,000.00 | 243,987.50 | 593,987.50 | 837,975.00 |
| 3/2/2021 | | | 233,925.00 | 233,925.00 | |
| 9/2/2021 | 5.950% | 370,000.00 | 233,925.00 | 603,925.00 | 837,850.00 |
| 3/2/2022 | | | 222,917.50 | 222,917.50 | |
| 9/2/2022 | 5.950% | 395,000.00 | 222,917.50 | 617,917.50 | 840,835.00 |
| 3/2/2023 | | | 211,166.25 | 211,166.25 | |
| 9/2/2023 | 5.950% | 420,000.00 | 211,166.25 | 631,166.25 | 842,332.50 |
| 3/2/2024 | | | 198,671.25 | 198,671.25 | |
| 9/2/2024 | 5.950% | 445,000.00 | 198,671.25 | 643,671.25 | 842,342.50 |
| 3/2/2025 | | | 185,432.50 | 185,432.50 | |
| 9/2/2025 | 5.950% | 470,000.00 | 185,432.50 | 655,432.50 | 840,865.00 |
| 3/2/2026 | | | 171,450.00 | 171,450.00 | |
| 9/2/2026 | 6.000% | 495,000.00 | 171,450.00 | 666,450.00 | 837,900.00 |
| 3/2/2027 | | | 156,600.00 | 156,600.00 | |
| 9/2/2027 | 6.000% | 525,000.00 | 156,600.00 | 681,600.00 | 838,200.00 |
| 3/2/2028 | | | 140,850.00 | 140,850.00 | |
| 9/2/2028 | 6.000% | 560,000.00 | 140,850.00 | 700,850.00 | 841,700.00 |
| 3/2/2029 | | | 124,050.00 | 124,050.00 | |
| 9/2/2029 | 6.000% | 590,000.00 | 124,050.00 | 714,050.00 | 838,100.00 |
| 3/2/2030 | | | 106,350.00 | 106,350.00 | |
| 9/2/2030 | 6.000% | 630,000.00 | 106,350.00 | 736,350.00 | 842,700.00 |
| 3/2/2031 | | | 87,450.00 | 87,450.00 | |
| 9/2/2031 | 6.000% | 665,000.00 | 87,450.00 | 752,450.00 | 839,900.00 |
| 3/2/2032 | | | 67,500.00 | 67,500.00 | |
| 9/2/2032 | 6.000% | 705,000.00 | 67,500.00 | 772,500.00 | 840,000.00 |
| 3/2/2033 | | | 46,350.00 | 46,350.00 | |
| 9/2/2033 | 6.000% | 750,000.00 | 46,350.00 | 796,350.00 | 842,700.00 |
| 3/2/2034 | | | 23,850.00 | 23,850.00 | |
| 9/2/2034 | 6.000% | 795,000.00 | 23,850.00 | 818,850.00 | 842,700.00 |
| Totals | | \$10,165,000.00 | \$8,028,306.25 | \$18,193,306.25 | \$18,193,306.25 |

**Assessment District No. 2003-01
(College Boulevard and Cannon Road East)
Benefit Area No. 1 (Calaveras Hills II)
Refunded Bonds Actual Debt Service Schedule
Net of all Bond Calls**

| Payment Date | Interest Rate | Principal | Interest | Semi-Annual Payment | Total |
|---------------------|----------------------|------------------------|-----------------------|----------------------------|------------------------|
| 9/2/2013 | 5.150% | \$240,000.00 | \$298,598.75 | \$538,598.75 | \$538,598.75 |
| 3/2/2014 | | | 292,418.75 | 292,418.75 | |
| 9/2/2014 | 5.300% | 255,000.00 | 292,418.75 | 547,418.75 | 839,837.50 |
| 3/2/2015 | | | 285,661.25 | 285,661.25 | |
| 9/2/2015 | 5.400% | 270,000.00 | 285,661.25 | 555,661.25 | 841,322.50 |
| 3/2/2016 | | | 278,371.25 | 278,371.25 | |
| 9/2/2016 | 5.500% | 285,000.00 | 278,371.25 | 563,371.25 | 841,742.50 |
| 3/2/2017 | | | 270,533.75 | 270,533.75 | |
| 9/2/2017 | 5.600% | 300,000.00 | 270,533.75 | 570,533.75 | 841,067.50 |
| 3/2/2018 | | | 262,133.75 | 262,133.75 | |
| 9/2/2018 | 5.650% | 315,000.00 | 262,133.75 | 577,133.75 | 839,267.50 |
| 3/2/2019 | | | 253,235.00 | 253,235.00 | |
| 9/2/2019 | 5.700% | 335,000.00 | 253,235.00 | 588,235.00 | 841,470.00 |
| 3/2/2020 | | | 243,687.50 | 243,687.50 | |
| 9/2/2020 | 5.750% | 350,000.00 | 243,687.50 | 593,687.50 | 837,375.00 |
| 3/2/2021 | | | 233,625.00 | 233,625.00 | |
| 9/2/2021 | 5.950% | 370,000.00 | 233,625.00 | 603,625.00 | 837,250.00 |
| 3/2/2022 | | | 222,617.50 | 222,617.50 | |
| 9/2/2022 | 5.950% | 395,000.00 | 222,617.50 | 617,617.50 | 840,235.00 |
| 3/2/2023 | | | 210,866.25 | 210,866.25 | |
| 9/2/2023 | 5.950% | 420,000.00 | 210,866.25 | 630,866.25 | 841,732.50 |
| 3/2/2024 | | | 198,371.25 | 198,371.25 | |
| 9/2/2024 | 5.950% | 445,000.00 | 198,371.25 | 643,371.25 | 841,742.50 |
| 3/2/2025 | | | 185,132.50 | 185,132.50 | |
| 9/2/2025 | 5.950% | 470,000.00 | 185,132.50 | 655,132.50 | 840,265.00 |
| 3/2/2026 | | | 171,150.00 | 171,150.00 | |
| 9/2/2026 | 6.000% | 495,000.00 | 171,150.00 | 666,150.00 | 837,300.00 |
| 3/2/2027 | | | 156,300.00 | 156,300.00 | |
| 9/2/2027 | 6.000% | 525,000.00 | 156,300.00 | 681,300.00 | 837,600.00 |
| 3/2/2028 | | | 140,550.00 | 140,550.00 | |
| 9/2/2028 | 6.000% | 560,000.00 | 140,550.00 | 700,550.00 | 841,100.00 |
| 3/2/2029 | | | 123,750.00 | 123,750.00 | |
| 9/2/2029 | 6.000% | 590,000.00 | 123,750.00 | 713,750.00 | 837,500.00 |
| 3/2/2030 | | | 106,050.00 | 106,050.00 | |
| 9/2/2030 | 6.000% | 630,000.00 | 106,050.00 | 736,050.00 | 842,100.00 |
| 3/2/2031 | | | 87,150.00 | 87,150.00 | |
| 9/2/2031 | 6.000% | 665,000.00 | 87,150.00 | 752,150.00 | 839,300.00 |
| 3/2/2032 | | | 67,200.00 | 67,200.00 | |
| 9/2/2032 | 6.000% | 705,000.00 | 67,200.00 | 772,200.00 | 839,400.00 |
| 3/2/2033 | | | 46,050.00 | 46,050.00 | |
| 9/2/2033 | 6.000% | 745,000.00 | 46,050.00 | 791,050.00 | 837,100.00 |
| 3/2/2034 | | | 23,700.00 | 23,700.00 | |
| 9/2/2034 | 6.000% | 790,000.00 | 23,700.00 | 813,700.00 | 837,400.00 |
| Totals | | \$10,155,000.00 | \$8,015,706.25 | \$18,170,706.25 | \$18,170,706.25 |

**Assessment District No. 2003-01
(College Boulevard and Cannon Road East)
Benefit Area No. 1 (Calaveras Hills II)
Refunded Parcel's Aggregate Amortization Schedule**

| Payment Date | Interest Rate | Principal | Interest | Semi-Annual Payment | Total |
|---------------------|----------------------|------------------------|-----------------------|----------------------------|------------------------|
| 9/2/2013 | 5.150% | \$239,720.72 | \$298,550.93 | \$538,271.65 | \$538,271.65 |
| 3/2/2014 | | | 292,378.12 | 292,378.12 | |
| 9/2/2014 | 5.300% | 254,703.27 | 292,378.12 | 547,081.39 | 839,459.52 |
| 3/2/2015 | | | 285,628.49 | 285,628.49 | |
| 9/2/2015 | 5.400% | 269,685.81 | 285,628.49 | 555,314.30 | 840,942.79 |
| 3/2/2016 | | | 278,346.97 | 278,346.97 | |
| 9/2/2016 | 5.500% | 284,668.36 | 278,346.97 | 563,015.33 | 841,362.30 |
| 3/2/2017 | | | 270,518.59 | 270,518.59 | |
| 9/2/2017 | 5.600% | 299,650.90 | 270,518.59 | 570,169.49 | 840,688.08 |
| 3/2/2018 | | | 262,128.37 | 262,128.37 | |
| 9/2/2018 | 5.650% | 314,633.45 | 262,128.37 | 576,761.81 | 838,890.18 |
| 3/2/2019 | | | 253,239.97 | 253,239.97 | |
| 9/2/2019 | 5.700% | 334,610.17 | 253,239.97 | 587,850.14 | 841,090.12 |
| 3/2/2020 | | | 243,703.58 | 243,703.58 | |
| 9/2/2020 | 5.750% | 349,592.72 | 243,703.58 | 593,296.30 | 836,999.88 |
| 3/2/2021 | | | 233,652.79 | 233,652.79 | |
| 9/2/2021 | 5.950% | 369,569.45 | 233,652.79 | 603,222.24 | 836,875.03 |
| 3/2/2022 | | | 222,658.10 | 222,658.10 | |
| 9/2/2022 | 5.950% | 394,540.35 | 222,658.10 | 617,198.45 | 839,856.55 |
| 3/2/2023 | | | 210,920.52 | 210,920.52 | |
| 9/2/2023 | 5.950% | 419,511.26 | 210,920.52 | 630,431.79 | 841,352.31 |
| 3/2/2024 | | | 198,440.06 | 198,440.06 | |
| 9/2/2024 | 5.950% | 444,482.17 | 198,440.06 | 642,922.24 | 841,362.30 |
| 3/2/2025 | | | 185,216.72 | 185,216.72 | |
| 9/2/2025 | 5.950% | 469,453.08 | 185,216.72 | 654,669.80 | 839,886.52 |
| 3/2/2026 | | | 171,250.49 | 171,250.49 | |
| 9/2/2026 | 6.000% | 494,423.99 | 171,250.49 | 665,674.48 | 836,924.97 |
| 3/2/2027 | | | 156,417.77 | 156,417.77 | |
| 9/2/2027 | 6.000% | 524,389.08 | 156,417.77 | 680,806.85 | 837,224.62 |
| 3/2/2028 | | | 140,686.10 | 140,686.10 | |
| 9/2/2028 | 6.000% | 559,348.35 | 140,686.10 | 700,034.45 | 840,720.55 |
| 3/2/2029 | | | 123,905.65 | 123,905.65 | |
| 9/2/2029 | 6.000% | 589,313.44 | 123,905.65 | 713,219.09 | 837,124.74 |
| 3/2/2030 | | | 106,226.24 | 106,226.24 | |
| 9/2/2030 | 6.000% | 629,266.89 | 106,226.24 | 735,493.14 | 841,719.38 |
| 3/2/2031 | | | 87,348.24 | 87,348.24 | |
| 9/2/2031 | 6.000% | 664,226.17 | 87,348.24 | 751,574.40 | 838,922.64 |
| 3/2/2032 | | | 67,421.45 | 67,421.45 | |
| 9/2/2032 | 6.000% | 704,179.62 | 67,421.45 | 771,601.07 | 839,022.53 |
| 3/2/2033 | | | 46,296.06 | 46,296.06 | |
| 9/2/2033 | 6.000% | 749,127.25 | 46,296.06 | 795,423.32 | 841,719.38 |
| 3/2/2034 | | | 23,822.25 | 23,822.25 | |
| 9/2/2034 | 6.000% | 794,074.89 | 23,822.25 | 817,897.14 | 841,719.38 |
| Totals | | \$10,153,171.39 | \$8,018,964.03 | \$18,172,135.41 | \$18,172,135.41 |

**Assessment District No. 2003-01
(College Boulevard and Cannon Road East)
Benefit Area No. 1 (Calaveras Hills II)
Refunding Bonds Original Debt Service Schedule**

| Payment Date | Interest Rate | Principal | Interest | Semi-Annual Payment | Total |
|---------------------|----------------------|-----------------------|-----------------------|----------------------------|------------------------|
| 9/2/2013 | 2.000% | \$0.00 | \$203,919.71 | \$203,919.71 | \$203,919.71 |
| 3/2/2014 | | | 173,139.38 | 173,139.38 | |
| 9/2/2014 | 2.000% | 490,000.00 | 173,139.38 | 663,139.38 | 836,278.76 |
| 3/2/2015 | | | 168,239.38 | 168,239.38 | |
| 9/2/2015 | 2.000% | 325,000.00 | 168,239.38 | 493,239.38 | 661,478.76 |
| 3/2/2016 | | | 164,989.38 | 164,989.38 | |
| 9/2/2016 | 3.000% | 330,000.00 | 164,989.38 | 494,989.38 | 659,978.76 |
| 3/2/2017 | | | 160,039.38 | 160,039.38 | |
| 9/2/2017 | 3.000% | 340,000.00 | 160,039.38 | 500,039.38 | 660,078.76 |
| 3/2/2018 | | | 154,939.38 | 154,939.38 | |
| 9/2/2018 | 3.000% | 345,000.00 | 154,939.38 | 499,939.38 | 654,878.76 |
| 3/2/2019 | | | 149,764.38 | 149,764.38 | |
| 9/2/2019 | 3.000% | 360,000.00 | 149,764.38 | 509,764.38 | 659,528.76 |
| 3/2/2020 | | | 144,364.38 | 144,364.38 | |
| 9/2/2020 | 3.000% | 365,000.00 | 144,364.38 | 509,364.38 | 653,728.76 |
| 3/2/2021 | | | 138,889.38 | 138,889.38 | |
| 9/2/2021 | 3.150% | 375,000.00 | 138,889.38 | 513,889.38 | 652,778.76 |
| 3/2/2022 | | | 132,983.13 | 132,983.13 | |
| 9/2/2022 | 3.375% | 390,000.00 | 132,983.13 | 522,983.13 | 655,966.26 |
| 3/2/2023 | | | 126,401.88 | 126,401.88 | |
| 9/2/2023 | 3.550% | 405,000.00 | 126,401.88 | 531,401.88 | 657,803.76 |
| 3/2/2024 | | | 119,213.13 | 119,213.13 | |
| 9/2/2024 | 3.700% | 420,000.00 | 119,213.13 | 539,213.13 | 658,426.26 |
| 3/2/2025 | | | 111,443.13 | 111,443.13 | |
| 9/2/2025 | 3.800% | 435,000.00 | 111,443.13 | 546,443.13 | 657,886.26 |
| 3/2/2026 | | | 103,178.13 | 103,178.13 | |
| 9/2/2026 | 3.900% | 450,000.00 | 103,178.13 | 553,178.13 | 656,356.26 |
| 3/2/2027 | | | 94,403.13 | 94,403.13 | |
| 9/2/2027 | 4.000% | 465,000.00 | 94,403.13 | 559,403.13 | 653,806.26 |
| 3/2/2028 | | | 85,103.13 | 85,103.13 | |
| 9/2/2028 | 4.000% | 490,000.00 | 85,103.13 | 575,103.13 | 660,206.26 |
| 3/2/2029 | | | 75,303.13 | 75,303.13 | |
| 9/2/2029 | 4.125% | 505,000.00 | 75,303.13 | 580,303.13 | 655,606.26 |
| 3/2/2030 | | | 64,887.50 | 64,887.50 | |
| 9/2/2030 | 4.125% | 530,000.00 | 64,887.50 | 594,887.50 | 659,775.00 |
| 3/2/2031 | | | 53,956.25 | 53,956.25 | |
| 9/2/2031 | 4.125% | 550,000.00 | 53,956.25 | 603,956.25 | 657,912.50 |
| 3/2/2032 | | | 42,612.50 | 42,612.50 | |
| 9/2/2032 | 4.250% | 570,000.00 | 42,612.50 | 612,612.50 | 655,225.00 |
| 3/2/2033 | | | 30,500.00 | 30,500.00 | |
| 9/2/2033 | 5.000% | 595,000.00 | 30,500.00 | 625,500.00 | 656,000.00 |
| 3/2/2034 | | | 15,625.00 | 15,625.00 | |
| 9/2/2034 | 5.000% | 625,000.00 | 15,625.00 | 640,625.00 | 656,250.00 |
| Totals | | \$9,360,000.00 | \$4,823,869.71 | \$14,183,869.71 | \$14,183,869.87 |

**Assessment District No. 2003-01
(College Boulevard and Cannon Road East)
Benefit Area No. 1 (Calaveras Hills II)**

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

| Payment Date | Refunded Parcel Aggregate | | Refunding Bonds | | Principal | Savings | | Annual Total |
|---------------|---------------------------|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|--------------|
| | Principal | Interest | Principal | Interest | | Interest | | |
| 9/2/2013 | \$239,720.72 | \$298,550.93 | \$0.00 | \$203,919.71 | \$239,720.72 | \$94,631.22 | \$334,351.95 | |
| 3/2/2014 | | 292,378.12 | | 173,139.38 | | 119,238.75 | | |
| 9/2/2014 | 254,703.27 | 292,378.12 | 490,000.00 | 173,139.38 | (235,296.73) | 119,238.75 | 3,180.77 | |
| 3/2/2015 | | 285,628.49 | | 168,239.38 | | 117,389.11 | | |
| 9/2/2015 | 269,685.81 | 285,628.49 | 325,000.00 | 168,239.38 | (55,314.19) | 117,389.11 | 179,464.04 | |
| 3/2/2016 | | 278,346.97 | | 164,989.38 | | 113,357.60 | | |
| 9/2/2016 | 284,668.36 | 278,346.97 | 330,000.00 | 164,989.38 | (45,331.64) | 113,357.60 | 181,383.55 | |
| 3/2/2017 | | 270,518.59 | | 160,039.38 | | 110,479.22 | | |
| 9/2/2017 | 299,650.90 | 270,518.59 | 340,000.00 | 160,039.38 | (40,349.10) | 110,479.22 | 180,609.33 | |
| 3/2/2018 | | 262,128.37 | | 154,939.38 | | 107,188.99 | | |
| 9/2/2018 | 314,633.45 | 262,128.37 | 345,000.00 | 154,939.38 | (30,366.55) | 107,188.99 | 184,011.43 | |
| 3/2/2019 | | 253,239.97 | | 149,764.38 | | 103,475.60 | | |
| 9/2/2019 | 334,610.17 | 253,239.97 | 360,000.00 | 149,764.38 | (25,389.83) | 103,475.60 | 181,561.37 | |
| 3/2/2020 | | 243,703.58 | | 144,364.38 | | 99,339.21 | | |
| 9/2/2020 | 349,592.72 | 243,703.58 | 365,000.00 | 144,364.38 | (15,407.28) | 99,339.21 | 183,271.13 | |
| 3/2/2021 | | 233,652.79 | | 138,889.38 | | 94,763.42 | | |
| 9/2/2021 | 369,569.45 | 233,652.79 | 375,000.00 | 138,889.38 | (5,430.55) | 94,763.42 | 184,096.28 | |
| 3/2/2022 | | 222,658.10 | | 132,983.13 | | 89,674.97 | | |
| 9/2/2022 | 394,540.35 | 222,658.10 | 390,000.00 | 132,983.13 | 4,540.35 | 89,674.97 | 183,890.30 | |
| 3/2/2023 | | 210,920.52 | | 126,401.88 | | 84,518.65 | | |
| 9/2/2023 | 419,511.26 | 210,920.52 | 405,000.00 | 126,401.88 | 14,511.26 | 84,518.65 | 183,548.56 | |
| 3/2/2024 | | 198,440.06 | | 119,213.13 | | 79,226.94 | | |
| 9/2/2024 | 444,482.17 | 198,440.06 | 420,000.00 | 119,213.13 | 24,482.17 | 79,226.94 | 182,936.05 | |
| 3/2/2025 | | 185,216.72 | | 111,443.13 | | 73,773.59 | | |
| 9/2/2025 | 469,453.08 | 185,216.72 | 435,000.00 | 111,443.13 | 34,453.08 | 73,773.59 | 182,000.27 | |
| 3/2/2026 | | 171,250.49 | | 103,178.13 | | 68,072.37 | | |
| 9/2/2026 | 494,423.99 | 171,250.49 | 450,000.00 | 103,178.13 | 44,423.99 | 68,072.37 | 180,568.72 | |
| 3/2/2027 | | 156,417.77 | | 94,403.13 | | 62,014.65 | | |
| 9/2/2027 | 524,389.08 | 156,417.77 | 465,000.00 | 94,403.13 | 59,389.08 | 62,014.65 | 183,418.37 | |
| 3/2/2028 | | 140,686.10 | | 85,103.13 | | 55,582.97 | | |
| 9/2/2028 | 559,348.35 | 140,686.10 | 490,000.00 | 85,103.13 | 69,348.35 | 55,582.97 | 180,514.30 | |
| 3/2/2029 | | 123,905.65 | | 75,303.13 | | 48,602.52 | | |
| 9/2/2029 | 589,313.44 | 123,905.65 | 505,000.00 | 75,303.13 | 84,313.44 | 48,602.52 | 181,518.49 | |
| 3/2/2030 | | 106,226.24 | | 64,887.50 | | 41,338.74 | | |
| 9/2/2030 | 629,266.89 | 106,226.24 | 530,000.00 | 64,887.50 | 99,266.89 | 41,338.74 | 181,944.38 | |
| 3/2/2031 | | 87,348.24 | | 53,956.25 | | 33,391.99 | | |
| 9/2/2031 | 664,226.17 | 87,348.24 | 550,000.00 | 53,956.25 | 114,226.17 | 33,391.99 | 181,010.14 | |
| 3/2/2032 | | 67,421.45 | | 42,612.50 | | 24,808.95 | | |
| 9/2/2032 | 704,179.62 | 67,421.45 | 570,000.00 | 42,612.50 | 134,179.62 | 24,808.95 | 183,797.53 | |
| 3/2/2033 | | 46,296.06 | | 30,500.00 | | 15,796.06 | | |
| 9/2/2033 | 749,127.25 | 46,296.06 | 595,000.00 | 30,500.00 | 154,127.25 | 15,796.06 | 185,719.38 | |
| 3/2/2034 | | 23,822.25 | | 15,625.00 | | 8,197.25 | | |
| 9/2/2034 | 794,074.89 | 23,822.25 | 625,000.00 | 15,625.00 | 169,074.89 | 8,197.25 | 185,469.38 | |
| Totals | \$10,153,171.39 | \$8,018,964.03 | \$9,360,000.00 | \$4,823,869.71 | \$793,171.39 | \$3,195,094.32 | \$3,988,265.71 | |

APPENDIX C

SUMMARY OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture governing the terms of the Bonds. This summary includes only the provisions of the Indenture not already summarized in the Official Statement and does not purport to be complete and is qualified in its entirety by reference to the Indenture. All capitalized terms used with respect to the Bonds and not defined in this Official Statement have the meanings set forth in the Indenture.

DEFINITIONS

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

“Administrative Expense Fund” means the City of Carlsbad Reassessment District No. 2012-1 Administrative Expense Fund established and held by the City pursuant to the Indenture.

“Administrative Expense Requirement” means an amount, not in excess of the aggregate maximum annual assessment for Administrative Expenses permitted to be levied within the Assessment Districts as set forth in the Reassessment Report, to be specified each year by the Treasurer to be used for Administrative Expenses.

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

“Assessment District” means one of the Assessment Districts.

“Assessment Districts” means the City’s Assessment District No. 2002-01 (Poinsettia Lane East) and Benefit Area No. 1 (Calavera Hills II) of Assessment District No. 2003-01 (College Boulevard and Cannon Road East).

“Authorized Investments” “Authorized Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(1) (A) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”); (B) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (C) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or (D) evidences of ownership of proportionate interests in future interest and principal payments on obligations

described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;

(2) Federal Housing Administration debentures;

(3) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC): Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts) and senior debt obligations,

- Federal Farm Credit Banks: Consolidated system-wide bonds and notes,

- Federal Home Loan Banks (FHL Banks): Consolidated debt obligations, and

- Federal National Mortgage Association (FNMA): Senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(4) Unsecured certificates of deposit, time deposits, bank deposits, demand deposits and bankers' acceptances (having maturities of not more than 30 days) of any bank (including the Trustee and any affiliate) the short-term obligations of which are rated "A-1" or better by Standard & Poor's;

(5) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC) in banks (including the Trustee and any affiliate) which have capital and surplus of at least \$5 million;

(6) Commercial paper (having original maturities of not more than 270 days rated at the time of purchase "A-1" or "A-1+" by Standard & Poor's and "Prime-1" by Moody's;

(7) Money market funds rated "AAm" or "AAm-G" or better by Standard & Poor's such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(8) "State Obligations," which means:

(A) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A-" by Standard & Poor's, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated,

(B) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated “A-1+” by Standard & Poor’s and “Prime-1” by Moody’s, and

(C) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated “AA-” or better by Standard & Poor’s and “Aa3” or better by Moody’s;

(9) Pre-refunded municipal obligations rated by Standard & Poor’s and by Moody’s not lower than United States Treasury Obligations meeting the following requirements:

(A) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions,

(B) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations,

(C) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”),

(D) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations,

(E) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification, and

(F) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;

(10) Repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A” by Standard & Poor’s and Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by Standard & Poor’s and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “A” or better by Standard & Poor’s and Moody’s, provided that:

(A) The market value of the collateral is maintained at levels equal to 102% of the amount of cash transferred by the Trustee to the provider of the repurchase agreement plus accrued interest with the collateral being valued weekly and marked-to-market at one current market price plus accrued interest,

(B) The Trustee or a third party acting solely as agent therefor or for the City strict (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books),

(C) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession), and

(D) The repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or Standard & Poor’s is withdrawn or suspended or falls below “A” by Standard & Poor’s or “A3” by Moody’s, as appropriate, the provider must, at the direction of the City or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the City or the Trustee;

(11) Investment agreements with a domestic or foreign bank or corporation the long-term debt of which or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA-” by Standard & Poor’s and “Aa3” by Moody’s; provided that, by the terms of the investment agreement:

(A) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Costs of Issuance Fund, construction draws) on the Bonds,

(B) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice; the City and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid,

(C) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof, or, in the case of a bank, that the obligation of the bank to make payments under the agreement ranks *pari passu* with the obligations of the bank to its other depositors and its other unsecured and unsubordinated creditors,

(D) the City and the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the City and the Trustee) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the City,

(E) the investment agreement shall provide that if during its term:

(1) the provider’s rating by either Standard & Poor’s or Moody’s falls below “AA-” or “Aa3”, respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and

federal laws (other than by means of entries on the provider's books) to the City, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to Standard & Poor's and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(2) the provider's rating by either Standard & Poor's or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the City or the Fiscal Agent, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the City or Trustee,

(F) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession,; and

(G) the investment agreement must provide that if during its term

(1) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the City or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or Trustee, as appropriate, and

(2) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or Trustee, as appropriate; and

(12) The State of California Local Agency Investment Fund; provided that the Trustee may restrict investments in such fund to the extent necessary to keep moneys available for the purposes of the Indenture.

"Authorized Representative of the City" means the Mayor of the City, the City Manager, the Finance Director of the City, any Interim Finance Director of the City, the Treasurer or any other person or persons designated by the Mayor of the City, the City Manager, the Finance Director of the City, any Interim Finance Director of the City or the Treasurer by a Written Certificate.

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

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

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

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

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

“Bonds” means the City of Carlsbad Reassessment District No. 2012-1 Limited Obligation Refunding Bonds issued pursuant to the Resolution of Issuance and the Indenture.

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

“City” means the City of Carlsbad, California and any successor thereto.

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

“City Council” means the City Council of the City of Carlsbad.

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

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

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

“Costs of Issuance” means the costs and expenses incurred in connection with the issuance and sale of the Bonds, including the acceptance and initial annual fees and expenses of the Trustee, legal fees and expenses, costs of printing the Bonds and the preliminary and final official statements for the Bonds, fees of financial consultants and all other related fees and expenses, as set forth in a Written Certificate of the City.

“Costs of Issuance Fund” means the City of Carlsbad Reassessment District No. 2012-1 Costs of Issuance Fund established and held by the Trustee pursuant to the Indenture.

“County” means the County of San Diego.

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

“Escrow Agent” means The Bank of New York Mellon Trust Company, N.A., as escrow agent with respect to the defeasance of the Prior Bonds under the provisions of the Escrow Agreement.

“Escrow Agreement” means that certain Escrow Agreement dated as of January 1, 2013 by and between the City and the Escrow Agent relating to Prior Bonds.

“Escrow Funds” means the 2004 Escrow Fund and 2005A Escrow Fund respectively established under the Escrow Agreement.

“Federal Securities” means, subject to applicable law, United States Treasury notes, bonds, bills or certificates of indebtedness, including United States Treasury Obligations, State and Local Government Series (“SLGS”) or other direct obligations issued by the United States Treasury for which the faith and credit of the United States are pledged for the payment of principal and interest; and obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or other federal agencies or United States Government-sponsored enterprises.

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

“Indenture” means that certain indenture, dated as of January 1, 2013, by and between the City and the Trustee, as amended or supplemented pursuant to the terms of the Indenture.

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

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

“Interest Payment Date” means each March 2 and September 2, commencing September 2, 2013.

“Moody's” means Moody's Investors Service, its successors and assigns.

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

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

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

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

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

“Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified in writing to the City by the Trustee, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

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

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

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

“Participating Underwriter” has the meaning ascribed thereto in the Continuing Disclosure Agreement.

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

“Prior Bonds” means the 2004 Bonds and the 2005A Bonds.

“Reassessment” or “Reassessments” means the special reassessments levied in the Reassessment District in accordance with the 1984 Act and the Resolution of Confirming Reassessments, together with the Unpaid Assessments, and the net proceeds derived from any foreclosure proceedings and interest and penalties thereon, but exclusive of any assessments or reassessments levied to pay Administrative Expenses.

“Reassessment District” means City of Carlsbad Reassessment District No. 2012-1.

“Reassessment Fund” means the City of Carlsbad Reassessment District No. 2012-1 Reassessment Fund established and held by the Trustee pursuant to the Indenture.

“Reassessment Installment” means the annual portion of the Reassessment levied to pay the principal of and interest on the Bonds (which does not include assessments levied by the City to pay Administrative Expenses).

“Reassessment Report” means the report concerning the Reassessment prepared by NBS, as approved by the City Council on January 8, 2013 and on file with the City Clerk.

“Rebate Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

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

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

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

“Redemption Fund” means the City of Carlsbad Reassessment District No. 2012-1 Redemption Fund established and held by the Trustee pursuant to the Indenture.

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

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

“Reserve Fund” means the City of Carlsbad Reassessment District No. 2012-1 Reserve Fund established and held by the Trustee pursuant to the Indenture.

“Reserve Requirement” means, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Bonds; (b) maximum annual debt service on the Bonds; (provided that annual debt service due in Bond Year 2014 shall be excluded from such calculation) and (c) 125% of average annual debt service on the Bonds (provided that annual debt service due in Bond Year 2014 shall be excluded from such calculation); provided, however, that the Reserve Requirement shall be adjusted to reflect any amount specified for transfer to the Redemption Fund in a Written Request from the City as described in the Indenture.

“Resolution of Confirming Reassessments” means Resolution No. 2013-023, adopted by the City Council of the City on January 8, 2013, confirming and ordering the Reassessments.

“Resolution of Issuance” means Resolution No. 2013-024, adopted by the City Council of the City on January 8, 2013, authorizing the issuance of the Bonds and approving the terms and provisions of the Indenture.

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

“Superintendent of Streets” means the Transportation Director of the City, or his or her designee.

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

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

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

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

“2004 Bonds” means the City’s Assessment District No. 2003-01 (College Boulevard and Cannon Road East) Benefit Area No. 1 (Calavera Hills II) Limited Obligation Improvement Bonds issued on or about June 10, 2004 and outstanding under and pursuant to a Bond Indenture, dated as of May 1, 2004, by and between the City and the BNY Western Trust Company.

“2004 Escrow Fund” means the “Escrow Fund” established under the Escrow Agreement relating to the 2004 Bonds.

“2005A Bonds” means the City’s Assessment District No. 2002-1 (Poinsettia Lane East) Limited Obligation Improvement Bonds, Series 2005A issued on or about February 17, 2005 and outstanding under and pursuant to a Bond Indenture, dated as of February 1, 2005, by and between the City and The Bank of New York Trust Company, N.A.

“2005 Escrow Fund” means the “Escrow Fund” established under the Escrow Agreement relating to the 2005A Bonds.

“Unpaid Assessments” means those assessments levied for the fiscal year ending June 30, 2013 in accordance with the 1915 Act and the respective resolutions of formation of the Assessment Districts, but which were not paid to the City prior to the Closing Date.

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

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

**CREATION OF FUNDS AND ACCOUNTS;
APPLICATION OF PROCEEDS AND ASSESSMENTS**

Funds and Accounts. There are created and established by the Indenture the following funds and accounts, which funds and accounts the City agrees and covenants to maintain with the Trustee so long as any Bonds are Outstanding under the Indenture:

the City of Carlsbad Reassessment District No. 2012-1 Costs of Issuance Fund (the “Costs of Issuance Fund”);

the City of Carlsbad Reassessment District No. 2012-1 Reassessment Fund (the “Reassessment Fund”);

the City of Carlsbad Reassessment District No. 2012-1 Redemption Fund (the “Redemption Fund”), in which there shall be established and created a Principal Account, an Interest Account and a Prepayment Account;

the City of Carlsbad Reassessment District No. 2012-1 Reserve Fund (the “Reserve Fund”);
and

the City of Carlsbad Reassessment District No. 2012-1 Rebate Fund (the “Rebate Fund”).

The City covenants and agrees to establish with the Treasurer the City of Carlsbad Reassessment District No. 2012-1 Administrative Expense Fund (the “Administrative Expense Fund”).

Except for the Administrative Expense Fund and the Rebate Fund, all moneys in the funds and accounts established under the Indenture shall be held by the Trustee for the benefit of the Bondowners, shall be accounted for separately and apart from all other accounts, funds, money or other resources of the City held by the Trustee and shall be allocated, applied and disbursed solely to the uses and purposes set forth in provisions of the Indenture summarized under this caption “CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS AND ASSESSMENTS”.

The Trustee may establish such additional funds, accounts or subaccounts of the funds or accounts listed above as it deems necessary or prudent to further its duties pursuant to the Indenture or any Supplemental Indenture and shall establish any additional funds, accounts or subaccounts which the City directs it to establish.

Costs of Issuance Fund. The Trustee shall deposit into the Costs of Issuance Fund the amounts specified in the Indenture. The Trustee shall pay the costs of issuing the Bonds from the Costs of Issuance Fund as set forth in Written Request of the City from time to time. At the Written Direction of the City or 90 days after the Closing Date, the Trustee shall transfer any remaining balance in the Costs of Issuance Fund to the Redemption Fund and the Trustee shall close the Costs of Issuance Fund.

Reassessment Fund. Upon receipt of Reassessment Installments, the City shall transfer the Reassessment Installments to the Trustee for deposit to the Reassessment Fund. On or prior to the

first day of March and September of each year commencing September 1, 2013, the Trustee is to then transfer moneys on deposit in the Reassessment Fund in the amounts set forth in the following clauses, in the following order of priority, to:

(a) the Interest Account of the Redemption Fund, an amount sufficient to make the Interest Payment on the next succeeding Interest Payment Date for the Bonds;

(b) the Principal Account of the Redemption Fund, the amount needed to make the payment of principal due on the following September 2 on the Outstanding Bonds, including any mandatory sinking fund payments;

(c) the Reserve Fund, the amount needed to restore the Reserve Fund to the Reserve Requirement; and

(d) the Rebate Fund, the amount, if any, as specified in a Written Direction of the City shall be transferred to the City.

(e) Any moneys remaining in the Reassessment Fund after the deposits described above shall be transferred by the Trustee to the Prepayment Account of the Redemption Fund. The City shall apply such amounts as a credit against each of the unpaid Reassessments in amounts equal to each parcel's share or portion thereof, of the total amount of Reassessment.

Upon provision for payment or redemption of all Bonds, and after payment of any amounts due to the Trustee, all moneys remaining in the Reassessment Fund shall be paid to the City.

Redemption Fund. The principal of and interest on the Bonds until maturity shall be paid by the Trustee from the Redemption Fund. At the maturity of the Bonds, after all principal and interest then due on any Outstanding Bonds has been paid or provided for, moneys in the Redemption Fund shall be paid to the City.

(a) On or prior to the first day of March or September of each year, commencing September 1, 2013, the Trustee shall transfer to the Interest Account of the Redemption Fund from the Reassessment Fund an amount such that the balance in the Interest Account one day prior to each Interest Payment Date shall be equal to the installment of interest due on the Bonds on said Interest Payment Date. Moneys in the Interest Account shall be used for the payment of interest on the Bonds as the same becomes due.

(b) On or prior to the first day of September of each year, commencing September 1, 2013, the Trustee shall transfer to the Principal Account of the Redemption Fund from the Reassessment Fund an amount such that the balance in the Principal Account one day prior to each September 2 shall be equal to the installment of principal (including mandatory sinking fund payments) due on the Bonds on said September 2. Moneys in the Principal Account shall be used to pay the principal (including mandatory sinking fund payments) of the Bonds as the same become due.

(c) Any amounts remaining in the Redemption Fund, other than in the Prepayment Account, on September 15 of each year, after all principal (including mandatory sinking fund payments) and interest payments due on the prior September 2 have been paid, shall be transferred to the Reassessment Fund.

(d) Moneys set aside in the Prepayment Account of the Redemption Fund shall be used solely for the purpose of redeeming Bonds and shall be applied on or after the redemption date to the payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds.

Upon receiving any prepayment of a Reassessment, the City shall transfer such prepayment to the Trustee for deposit in the Prepayment Account. The amount so deposited, along with the moneys transferred to the Prepayment Account from the Reserve Fund pursuant to Section 406, shall be used to redeem Bonds pursuant to the redemption provisions of the Indenture on the next Interest Payment Date for which proper notice of redemption of Bonds can be given by the Trustee.

Money received by the Trustee from the City from funds other than the prepayment of Reassessments shall be deposited in the Prepayment Account and used to redeem Bonds as provided in the Indenture.

If, after all of the Bonds have been redeemed and canceled or paid and canceled, there are moneys remaining in any account of the Redemption Fund, said moneys shall be transferred to the Reassessment Fund.

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

Authorized Investments shall be purchased at such prices as may be specified or described in a Written Direction of the City delivered to the Trustee. The Trustee may conclusively reply upon the written instructions of the Authorized Representative as to both the suitability and legality of directed investments. Directions as to the purchase of all Authorized Investments shall be subject to the limitations set forth in the provisions of the Indenture summarized under this caption “*Investments*” and such additional limitations or requirements consistent with the foregoing as may be established by the Treasurer.

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

All interest, profits and other income received from the investment of moneys in any fund or account established pursuant to the Indenture shall be retained therein, except as transfers from such funds or accounts are authorized in the Indenture. For investment purposes only, the Trustee may

commingle the funds and accounts established under the Indenture, and administered by the Trustee, but shall account for each separately.

Notwithstanding anything to the contrary contained in the provisions of the Indenture summarized under this caption “*Investments*”, an amount of interest received with respect to any Authorized Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Authorized Investment shall be credited to the fund or account for the credit of which such Authorized Investment was acquired.

For the purpose of determining the amount in any fund or account other than the Reserve Fund, all Authorized Investments credited to such fund or account shall be valued at the lower of the cost or the market value thereof, exclusive of accrued interest. Amounts in the Reserve Fund shall be valued at their market value at least semi-annually on or before February 15 and August 15 (or more frequently as may be requested by the Treasurer, but in no event more often than monthly). In making any such valuation, the Trustee may utilize nationally recognized securities valuation or pricing services available to it through its accounting system. The Trustee may rely on such valuations and shall not be responsible for the accuracy thereof.

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

In the absence of a Written Direction of the City received by Trustee at least two Business Days prior to the maturity of an Authorized Investment, the Trustee shall invest solely in Authorized Investments set forth in subsection (7) of the definition thereof, provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Written Direction of the City specifying a specific money market fund and, if no such Written Direction of the City is so received, the Trustee shall hold such moneys uninvested.

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

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

The City acknowledges that regulations of the Comptroller of the Currency grant the City the right to receive brokerage confirmation of security transactions to be effected by the Trustee under the Indenture as they occur. The City specifically waives the right to receive such notification to the extent permitted by applicable law and agrees that it will instead receive periodic cash transaction statements which include detail for the investment transactions effected by the Trustee under the Indenture; provided, however, that the City retains its right to receive brokerage confirmation on any investment transaction requested by the City.

COVENANTS AND WARRANTY

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

Covenants. So long as any of the Bonds are Outstanding and unpaid, the City makes the following covenants with the Owners under the provisions of the 1915 Act, the 1984 Act and the Indenture (to be performed by the City or its proper officers, agents or employees), which covenants are necessary, convenient and desirable to secure the Bonds and tend to make them more marketable; provided, however, that said covenants do not require the City to expend any funds or moneys other than the Reassessments:

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

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

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

(b) Covenant to Levy. The City will cause the Reassessment Installments required to pay the principal of and interest on the Bonds when due to be placed on the tax bills of the owners

of the parcels assessed and covenants to levy assessments, as permitted by law, to satisfy the Administrative Expense Requirement.

(c) Foreclosure Proceedings. The City will determine or cause to be determined, not later than August 15 of each fiscal year in which Bonds are Outstanding, whether or not any owners of the real property within the Reassessment District are delinquent in the payment of Reassessment Installments. If such delinquencies exist, the City shall order and caused to be commenced an action in the superior court to foreclose the lien of the Reassessment Installment(s) not paid when due, not later than the next following November 1, against any parcel that is subject to delinquencies of \$10,000 or more and against any group of parcels under common ownership with an aggregate delinquencies of \$10,000 or more; provided that during any period in which the amount on deposit in the Reserve Fund is less than the Reserve Requirement, the City shall commence foreclosure proceedings against any parcel that is subject to any amount of delinquency. The City further covenants to diligently prosecute any such foreclosure action to judgment and foreclosure sale. Upon the redemption or sale of the real property responsible for such delinquencies, the City shall first deposit to the Reserve Fund the amount of any delinquency advanced therefrom and then disburse the remaining amount as set forth in the judgment of foreclosure or as required by law.

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

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

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

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

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

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

Rebate Requirements. The City will take no action inconsistent with its expectations stated in the Tax Certificate and will comply with the covenants and requirements stated therein and

incorporated by reference in the Indenture. Without limiting the generality of the foregoing, the City agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. In particular, the City shall direct the Trustee to transfer to the Rebate Fund amounts sufficient to pay and shall instruct the Trustee to pay to the United States Treasury any amounts required to be paid as set forth in the Indenture.

(f) Collection of the Administrative Expense Requirements. The City covenants that it will collect annually an amount specified by the Treasurer to be the Administrative Expense Requirement to pay for Administrative Expenses. The Administrative Expense Requirement so collected shall not exceed the amount specified in the Reassessment Report.

Continuing Disclosure. The City covenants and agrees that it will comply with and carry out all the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, a failure of the City to comply with the Continuing Disclosure Agreement shall not be considered an event of default under the Indenture; provided that the Trustee may (and, at the written direction of any Participating Underwriter or the Beneficial to Owners of at least 25% aggregate principal amount of the Outstanding Bonds, and upon being indemnified to its reasonable satisfaction, shall) or any Beneficial Owner of Bonds may, take such actions as may be necessary and appropriate to compel such performance.

AMENDMENTS TO AGREEMENT

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

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

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

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

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

Amendments Requiring Bondowner Consent. Exclusive of the Supplements described above under the caption “*–Amendments Not Requiring Bondowner Consent*”, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right to consent to and approve such Supplements as shall be deemed necessary or desirable by the City for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any

of the terms or provisions contained in the Indenture; provided, however, that nothing in the Indenture shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal, or the payment date of any principal or interest on, any Bond, (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, (c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds the Owners of which are required to consent to such Supplement without the consent of the Owners of all the Bonds then Outstanding.

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

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

No Supplement pursuant to either the provisions of the Indenture summarized above under the caption “*–Amendments Not Requiring Bondowner Consent*” or under this caption “*–Amendments Not Requiring Bondowner Consent*” shall modify or amend any of the rights or obligations of the Trustee without its written consent thereto. The Trustee may request an opinion of

counsel, at the expense of the City, that any such Supplement complies with the provisions of the provisions of the Indenture relating to amendments and the Trustee may conclusively rely upon such opinion.

TRUSTEE

Trustee. The Bank of New York Mellon Trust Company, N.A. is appointed Trustee for the City for the purpose of receiving all money which the City is required to deposit with the Trustee under the Indenture and to allocate, use and apply the same as provided in the Indenture.

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

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

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

The City shall from time to time, subject to any agreement between the City and the Trustee then in force, pay to the Trustee compensation for its services, reimburse the Trustee for all its advances and expenditures, including, but not limited to, advances to and fees and expenses of independent accountants, counsel, agents, receiver and engineers or other experts employed by it in the exercise and performance of its powers and duties under the Indenture, and indemnify, defend and save the Trustee harmless against any losses, costs, expenses or liabilities, including reasonable fees and expenses of its attorneys (including the allocated costs and disbursements of in-house counsel, to the extent such services are not redundant with those provided by outside counsel), not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties under the Indenture, which indemnity shall survive discharge of the Bonds and the resignation or removal of the Trustee.

Any bank, national banking association or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank, national banking association

or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under the provisions of the Indenture relating to the removal of the Trustee summarized in the paragraph immediately below, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything in the Indenture to the contrary notwithstanding.

Removal of Trustee. The City may in the absence of an event of default at any time, in the exercise of its sole discretion, upon thirty (30) days prior written notice to the Trustee, remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto; provided that any such successor shall be a bank, national banking association or trust company doing business and having a corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital and surplus) (or whose parent or holding company has a combined capital (exclusive of borrowed capital and surplus) of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this paragraph the combined capital and surplus shall be as set forth in its most recent report of condition so published. The City shall notify the Bondowners in writing of any such removal of the Trustee and appointment of a successor thereto.

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

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

The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of debt service by the City or with respect to the observance or performance by the City of the other conditions, covenants and terms contained in the Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the City

pursuant to the Indenture or otherwise; provided however that the Trustee provide the Bondowners with notice of event of default under the Indenture.

The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, bond or other paper or documents believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Written Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. The Trustee may consult with counsel, who may be counsel to the City, at the expense of the City, with regard to legal questions, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered under the Indenture and in accordance therewith.

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

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

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

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

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

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

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

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

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

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

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

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

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

The Trustee agrees to accept and act upon instructions or directions pursuant to the Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions of the Indenture.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request, order or direction of any of the Owners pursuant to the provisions of the Indenture unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

EVENTS OF DEFAULT; REMEDIES

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

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

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

(c) Default by the City in the observance of any of the other agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after the City shall have been given notice in writing of such default

by the Trustee or any Owner, provided that if within thirty (30) days the City has commenced curing of the default and diligently pursues elimination thereof, such period shall be extended to permit such default to be eliminated.

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

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

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

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

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

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

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

Application of funds upon an event of default. If an event of default shall occur and be continuing, the Trustee shall apply all funds then held or thereafter received by the Trustee under any of the provisions of the Indenture (except as otherwise provided in the Indenture) as follows and in the following order:

(1) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds, including the costs and expenses of the Trustee in declaring such event of default, and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its powers and duties under the Indenture;

(2) To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installment, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof

ratably according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

(3) To the payment to the persons entitled thereto of the unpaid principal with respect to any Bond which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal and interest at a rate equal to the rate paid with respect to the Bonds and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the Bonds on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

DEFEASANCE

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

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of the provisions of the Indenture summarized under this caption "*Defeasance*" if such Bond is paid in any one or more of the following ways:

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

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

(c) by depositing with the Trustee, in trust, Federal Securities in such amount as an Independent Financial Consultant shall determine will, together with the interest to accrue thereon and moneys then on deposit in the Reassessment Fund, the Reserve Fund and the Redemption Fund which is available to pay such Bond, together with the interest to accrue thereon without further investment, be fully sufficient to pay and discharge the principal of, premium, if any, and interest on such Bond as and when the same shall become due and payable; then, notwithstanding that such Bond shall not have been surrendered for payment, all obligations of the City under the Indenture with respect to such Bond shall cease and terminate, except for the obligation of the Trustee to pay or cause to be paid to the Owner of any Bond not so surrendered and paid, all sums due thereon

from funds provided to it by the City and except for the City's covenant under subparagraph (e) of the provisions of the Indenture summarized above under the caption "COVENANTS AND WARRANTY-Covenants". Any money or securities deposited with the Trustee to defease any Bond or Bonds shall be accompanied by a certificate of a certified public accountant confirming the accuracy of the calculations establishing the sufficiency of such deposit. Any funds held by the Trustee at the time of payment or defeasance of all Outstanding Bonds, which are not required for the purpose above mentioned, or for payment of amounts due the Trustee under the Indenture shall be paid over to the City.

MISCELLANEOUS

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

APPENDIX D

OPINION OF BOND COUNSEL

[Date of Delivery]

City Council
City of Carlsbad
Carlsbad, California

Re: City of Carlsbad Reassessment District No. 2012-1 Limited Obligation Refunding Bonds

Ladies and Gentlemen:

We have examined certified copies of proceedings taken by the City of Carlsbad (the “City”) for the issuance of bonds designated “City of Carlsbad Reassessment District No. 2012-1 Limited Obligation Refunding Bonds” (the “Bonds”) pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds (Division 11.5 of the Streets and Highways Code of California). The Bonds are issued pursuant to the City’s Resolution No. 2013-024 (the “Resolution of Issuance”) and an Indenture (the “Indenture”) dated as of January 1, 2013, by and between the City and The Bank of New York Mellon Trust Company, N.A. as Trustee. This examination covers said proceedings down to and including the issuance of the Bonds; however, we have made no examination of the ownership or use of the property assessed. In rendering this opinion, we have relied upon certain representations of fact and certifications made by or on behalf of the City, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds are dated their date of delivery and mature on the dates and in the amounts set forth in the Indenture. The Bonds bear interest payable semiannually on each March 2 and September 2, commencing on September 2, 2013, at the rates per annum set forth in the Indenture.

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

1. The City has duly authorized the issuance of the Bonds. The Bonds and the Indenture constitute legal, valid and binding limited obligations of the City enforceable in accordance with their terms, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, fraudulent conveyance or transfer, insolvency or other laws affecting creditors’ rights generally, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases and by limitations on legal remedies against public agencies in the State of California; provided, however, we express no opinion with respect to any indemnification, contribution, penalty, choice of law or waiver provisions contained therein.

2. The Bonds are issued upon and secured by the unpaid Reassessments in Reassessment District No. 2012-1, together with interest thereon; said unpaid Reassessments together with interest thereon, constitute a trust fund for the redemption and payment of the principal of the Bonds and the interest thereon; the Bonds are secured by the moneys in the Redemption Fund established in the Indenture and by the unpaid Reassessments; and the Bonds are payable, as to both principal and interest, exclusively out of said Redemption Fund.

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

4. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations.

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

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

The opinion expressed in paragraphs 4 and 6 above as to the exclusion from gross income for federal income tax purposes of interest on the Bonds is subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements. Except as set forth in paragraphs 4, 5 and 6 above, we express no opinion as to any tax consequences related to the Bonds.

We are admitted to the practice of law only in the State of California and our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

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

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the Owners of the Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

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

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the City of Carlsbad (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent (the “Dissemination Agent”) in connection with the issuance of City of Carlsbad Reassessment District No. 2012-1 Limited Obligation Refunding Bonds in the aggregate principal amount of \$31,300,000 (the “Bonds”). The Bonds are being issued pursuant to a Resolution adopted by the City Council of the Issuer on January 8, 2013 and a Indenture dated as of January 1, 2013 (the “Indenture”) by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”). The Issuer and Dissemination Agent hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with SEC Rule 15c2-12(b)(5).

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

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

“Dissemination Agent” shall mean The Bank of New York Mellon Trust Company, N.A. or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

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

“Participating Underwriter” shall mean Stifel Nicolaus & Co. Inc., dba Stone & Youngberg, a Division of Stifel Nicolaus.

“Repository” shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, annually not later than 270 days after the end of the City’s fiscal year, commencing with the report for the 2012-13 fiscal year, provide to the Repository, in an electronic format as prescribed by the Municipal Securities Rulemaking Board, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report, and later than the date required above for the

filing of the Annual Report. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Issuer is unable to provide to the Repository or the Dissemination Agent an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, in an electronic format as prescribed by the Municipal Securities Rulemaking Board, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) confirm the electronic filing requirements of the Municipal Securities Rulemaking Board for the Annual Report; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements of the Issuer prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, together with the following statement: THE ISSUER'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS FO THE ISSUER ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS, AND THE ISSUER IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE ISSUER IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(b) The following information regarding the Bonds:

(i) Principal amount of Bonds outstanding;

(ii) Balance in the Prepayment Account of Redemption Fund;

(ii) Balance in the Redemption Fund;

(iv) Balance in the Reserve Fund and a statement of the Reserve Requirement;

(v) Information in Table 6 of the Official Statement for the Bonds regarding the annual special assessment installments, amount collected, delinquent amount and percent delinquent for the most recent fiscal year and the amount and percent remaining delinquent for any prior fiscal year; and

(vii) Status of foreclosure proceedings and summary of results of foreclosure sales, if available.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the Issuer 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.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final

official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

- (i) Principal and interest payment delinquencies;
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) Substitution of credit or liquidity providers, or their failure to perform;
- (v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
- (vi) Tender offers;
- (vii) Defeasances;
- (viii) Ratings changes; and
- (ix) Bankruptcy, insolvency, receivership or similar proceedings.

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

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

(i) Unless described in Section 5(a)(v), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds.

- (ii) Modifications to the rights of Bond holders.
- (iii) Optional, unscheduled or contingent Bond redemptions.
- (iv) Release, substitution or sale of property securing repayment of the Bonds.
- (v) Non-payment related defaults

(vi) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vii) Appointment of a successor or additional trustee or the change of the name of a trustee.

(c) If the City determines that knowledge of the occurrence of a Listed Event under subsection (b) would be material under applicable federal securities laws, and if the Dissemination Agent is other than the City, the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

(d) If the City determines that the Listed Event under subsection (b) would not be material under applicable federal securities laws and if the Dissemination Agent is other than the City, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence.

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

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

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty days written notice to the City and the Trustee. The initial Dissemination Agent shall be The Bank of New York Mellon Trust Company, N.A.

Section 8. Amendment Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived (the Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations), provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity nature or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall

present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the Repository in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or any Supplemental Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. Article VII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the City from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, Beneficial Owners or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon and directions from the City or an opinion of nationally recognized bond counsel. Neither the Trustee nor the Dissemination Agent shall have any liability to any party for any monetary damages or other financial liability of any kind whatsoever related to or arising from any breach of this Disclosure Agreement. No person shall have any right to commence any action against the Trustee or Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Agreement. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Notices. Any notice or communication required or permitted hereunder shall be given in writing, sent by (a) personal delivery delivered by a representative of the party giving such notice, or (b) overnight delivery by recognized overnight courier, or (c) United States mail, postage prepaid, registered or certified mail, or (d) facsimile, addressed as follows:

If to the Issuer:

City of Carlsbad
1635 Faraday Avenue
Carlsbad, California 92008-7314

If to the Dissemination Agent:

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street
Suite 400
Los Angeles, California 90071
Attention: Corporate Trust Department

or to such other address or to the attention of such other person as hereinafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been delivered either at the time of personal delivery actually received by the addressee or a representative of the addressee at the address provided above or, if delivered on a business day in the case of delivery service or certified or registered mail, as of the earlier of the date delivered or the date 72 hours following the date deposited in the United States mail at the address provided herein, or if by telecopier, upon electronic confirmation of good receipt by the receiving telecopier.

Section 14. Future Determination of Obligated Persons. In the event that the Securities Exchange Commission amends, clarifies or supplements the Rule in such a manner that requires any landowner within the City to be an obligated person as defined in the Rule, nothing contained herein shall be construed to require the Issuer to meet the continuing disclosure requirements of the Rule with respect to such obligated person and nothing in this Disclosure Agreement shall be deemed to obligate the Issuer to disclose information concerning any owner of land within the City except as required as part of the information required to be disclosed by the Issuer pursuant to Section 4 and Section 5 hereof.

Dated: _____, 2013

CITY OF CARLSBAD

By: _____
Finance Director

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Dissemination Agent

By: _____
Its: _____

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Carlsbad
Name of Bond Issue: CITY OF CARLSBAD REASSESSMENT DISTRICT NO. 2012-1
LIMITED OBLIGATION REFUNDING BONDS
Date of Issuance: _____, 2013

NOTICE IS HERBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Indenture dated as of January 1, 2013, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____ THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Dissemination Agent on behalf of Issuer

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APPENDIX G

INFORMATION CONCERNING THE CITY OF CARLSBAD AND COUNTY OF SAN DIEGO

Set forth below is certain demographic information regarding the City of Carlsbad (the "City") and the County of San Diego (the "County"). This information is provided for informational purposes only and general background. The information set forth herein has been obtained from third party sources believed to be reliable, but such information is not guaranteed by the City as to accuracy or completeness. Neither the delivery of this Official Statement nor any sale thereafter of the securities offered hereby shall under any circumstances create any implication that there has been no change in any information contained in this Appendix G since the date of the Official Statement. The Bonds are not a debt of the City, the County, the State, or any of its political subdivisions, and none of the City, the County, the State nor any of its political subdivisions is liable thereon. The information and data within this Appendix G is the latest data available; however, the current state of the economy at City, County, State and national levels may not be reflected in the data discussed below because more up-to-date publicly available information is not available to the City.

General Information

The City is located on the coast of Southern California in San Diego County about 35 miles north of San Diego and 86 miles south of Los Angeles. It is bordered by two lagoons, Buena Vista and Batiquitos, on the north and south respectively. City limits cover approximately 42 square miles and the City's estimated population was 107,674 as of January 1, 2012.

Municipal Government

The City, a general law city with the council-manager form of government, was incorporated July 16, 1952. A five-member City Council is elected at large for four-year alternating terms at elections held every two years. The mayor is the presiding officer of the council and also is elected to serve a four-year term. The city manager, appointed by the council for an indeterminate term, acts as chief executive officer in carrying out council policies.

The City provides the full range of services normally associated with a municipality including police, fire, parks and recreation, library, planning and zoning, building and engineering, various maintenance services and administration. The City provides water and sewer services through the Carlsbad Municipal Water District, a subsidiary district of the City. Solid waste collection is provided through a franchise arrangement with a local refuse collection service.

The City operates a housing authority that provides low and moderate income families with housing assistance.

Climate and Topography

The City has mild summers with a mean temperature for the month of July of 73 degrees and moderate winters with an average winter temperature of 58 degrees. The relative humidity is low. Average rainfall, which occurs generally in the period between October and February, is less than 9 inches.

The City is located on the Pacific Ocean, 35 miles north of San Diego at an altitude of sea level to 585 feet above sea level.

Population

The following table provides a comparison of population growth for the City and the County between 2008 and 2012.

**TABLE NO. G-1
POPULATION
2008 - 2012**

| <i>Year (January 1)</i> | <i>Carlsbad</i> | <i>San Diego County</i> |
|-----------------------------|-----------------|-----------------------------|
| 2008 | 102,452 | 3,032,689 |
| 2009 | 103,664 | 3,064,436 |
| 2010 | 105,319 | 3,091,579 |
| 2011 | 106,403 | 3,115,810 |
| 2012 | 107,674 | 3,143,429 |

Source: State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 and 2010 Census Counts*, Sacramento, CA, August 2011 and *E-1 City/County Population Estimates*, 2011-2012, Sacramento, CA, May 2012.

Employment and Industry

The following table summarizes the civilian labor force, civilian employment and civilian unemployment figures over the period from 2007 through 2011 in the City, the County, the State of California and the United States.

TABLE NO. G-2
City of Carlsbad, County of San Diego, State of California and United States
Labor Force, Employment and Unemployment
Yearly Average
2007-2011

| <i>Year and Area</i> | <i>Civilian Labor Force</i> | <i>Civilian Employment⁽¹⁾</i> | <i>Civilian Unemployment⁽²⁾</i> | <i>Civilian Unemployment Rate⁽³⁾</i> |
|------------------------------|-----------------------------|--|--|---|
| 2007 | | | | |
| Carlsbad | 47,700 | 46,200 | 1,400 | 3.0% |
| San Diego County | 1,518,300 | 1,449,500 | 68,900 | 4.5 |
| California | 17,928,700 | 16,970,200 | 958,500 | 5.3 |
| United States ⁽⁴⁾ | 153,124,000 | 146,047,000 | 7,078,000 | 4.6 |
| 2008 | | | | |
| Carlsbad | 47,600 | 45,700 | 1,900 | 3.9% |
| San Diego County | 1,547,300 | 1,455,100 | 92,300 | 6.0 |
| California | 18,191,000 | 16,883,400 | 1,307,600 | 7.2 |
| United States ⁽⁴⁾ | 154,287,000 | 145,362,000 | 8,924,000 | 5.8 |
| 2009 | | | | |
| Carlsbad | 47,100 | 44,100 | 3,000 | 6.4% |
| San Diego County | 1,554,100 | 1,404,500 | 149,600 | 9.6 |
| California | 18,204,200 | 16,141,500 | 2,062,700 | 11.3 |
| United States | 154,142,000 | 139,877,000 | 14,265,000 | 9.3 |
| 2010 | | | | |
| Carlsbad | 47,600 | 44,200 | 3,300 | 7.0% |
| San Diego County | 1,572,600 | 1,407,100 | 165,600 | 10.5 |
| California | 18,176,200 | 15,916,300 | 2,259,900 | 12.4 |
| United States | 153,889,000 | 139,064,000 | 14,825,000 | 9.6 |
| 2011 | | | | |
| Carlsbad | 48,000 | 44,800 | 3,200 | 6.6% |
| San Diego County | 1,583,800 | 1,426,100 | 157,700 | 10.0 |
| California | 18,384,900 | 16,226,600 | 2,158,300 | 11.7 |
| United States | 153,617,000 | 139,869,000 | 13,747,000 | 8.9 |

Note: Data is not seasonally adjusted.

(1) Includes persons involved in labor-management trade disputes.

(2) Includes all persons without jobs who are actively seeking work.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

(4) Not strictly comparable with data for prior years.

Source: California Employment Development Department and U.S. Department of Labor, Bureau of Labor Statistics.

The following table sets forth the industry employment and the labor force estimates for the years 2007 through 2011 for the San Diego-Carlsbad-San Marcos MSA. Annual industry employment information is not compiled by sector for the City.

TABLE G-3
SAN DIEGO-CARLSBAD-SAN MARCOS MSA
INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE
2007 through 2011

| | <i>2007</i> | <i>2008</i> | <i>2009</i> | <i>2010</i> | <i>2011</i> |
|---|------------------|------------------|------------------|------------------|------------------|
| Civilian Labor Force | 1,517,600 | 1,548,200 | 1,554,200 | 1,572,600 | 1,583,800 |
| Civilian Employment | 1,448,500 | 1,455,600 | 1,405,000 | 1,407,100 | 1,426,100 |
| Civilian Unemployment | 69,100 | 92,700 | 149,200 | 165,500 | 157,700 |
| Civilian Unemployment Rate | 4.6% | 6.0% | 9.6% | 10.5% | 10.0% |
| | | | | | |
| Total Farm | 10,900 | 10,500 | 9,500 | 10,500 | 10,000 |
| Total Nonfarm | 1,308,800 | 1,298,700 | 1,231,400 | 1,222,800 | 1,231,200 |
| Total Private | 1,086,500 | 1,073,600 | 1,006,900 | 992,400 | 1,002,700 |
| Goods Producing | 189,800 | 179,200 | 156,800 | 148,600 | 148,400 |
| Mining and Logging | 400 | 400 | 400 | 400 | 400 |
| Construction | 87,000 | 76,100 | 61,100 | 55,300 | 55,200 |
| Manufacturing | 102,500 | 102,800 | 95,300 | 92,900 | 92,800 |
| Service Providing | 1,119,000 | 1,119,500 | 1,074,600 | 1,074,200 | 1,082,800 |
| Trade, Transportation & Utilities | 222,300 | 215,900 | 199,600 | 197,300 | 199,000 |
| Wholesale Trade | 45,500 | 44,900 | 40,600 | 40,100 | 40,700 |
| Retail Trade | 148,100 | 142,000 | 131,600 | 130,700 | 132,200 |
| Transportation, Warehousing & Utilities | 28,800 | 29,000 | 27,400 | 26,500 | 26,100 |
| Information | 31,300 | 31,400 | 28,200 | 25,100 | 24,000 |
| Financial Activities | 80,300 | 75,200 | 69,800 | 67,200 | 66,800 |
| Professional & Business Services | 223,200 | 222,300 | 206,800 | 207,700 | 211,500 |
| Educational & Health Services | 129,500 | 137,300 | 144,300 | 145,500 | 149,100 |
| Leisure and Hospitality | 161,800 | 164,000 | 154,800 | 154,800 | 156,900 |
| Other Services | 48,300 | 48,400 | 46,800 | 46,200 | 47,100 |
| Government | <u>222,400</u> | <u>225,100</u> | <u>224,500</u> | <u>230,400</u> | <u>228,400</u> |
| Total, All Industries | <u>1,319,700</u> | <u>1,309,300</u> | <u>1,240,900</u> | <u>1,233,300</u> | <u>1,241,200</u> |

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The "Total, All Industries" data is not directly comparable to the employment data found in this Appendix G.

Source: State of California, Employment Development Department, *San Diego-Carlsbad-San Marcos MSA Industry Employment & Labor Force - by Annual Average, March 2011 Benchmark*.

The major employers operating within the City and their respective number of employees as of June 30, 2011 are as follows:

| <i>Name of Company</i> | <i>Employment</i> | <i>Type of Business/Product</i> |
|----------------------------------|-------------------|----------------------------------|
| Life Technologies | 4,121 | Research Supply Manufacturing |
| Taylor Made Golf Company, Inc. | 2,498 | Golf Equipment Manufacturing |
| ViaSat, Inc. | 2,114 | Wireless Communications Provider |
| Callaway Golf Company | 1,637 | Golf Equipment Manufacturing |
| LEGOLAND California, LLC | 1,140 | Theme Park |
| Carlsbad Unified School District | 1,004 | Public Education |
| Genoptix, Inc. | 984 | Manufacturing |
| La Costa Resort & Spa | 871 | Resort/Hotel |
| City of Carlsbad | 699 | Government |
| Zimmer Dental Inc. | 638 | Manufacturing |

Source: City of Carlsbad, *Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2011*.

Income

The following table summarizes per capita personal income for San Diego County, California and the United States for 2007 through 2011.

**TABLE NO. G-4
PER CAPITA PERSONAL INCOME
2007 - 2011**

| <i>Year</i> | <i>San Diego County</i> | <i>State of California</i> | <i>United States</i> |
|-------------|-------------------------|----------------------------|----------------------|
| 2007 | 45,768 | 43,211 | 39,506 |
| 2008 | 47,197 | 44,003 | 40,947 |
| 2009 | 44,107 | 41,034 | 38,637 |
| 2010 | 44,951 | 41,893 | 39,791 |
| 2011 | 46,800 | 43,647 | 41,560 |

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Commercial Activity

Table No. G-5 summarizes the volume of retail sales and taxable transactions for Carlsbad for the years 2007 through 2011*.

**TABLE NO. G-5
CITY OF CARLSBAD
TOTAL TAXABLE TRANSACTIONS
(in Thousands)
2007 – 2011***

| <i>Year</i> | <i>Retail Sales \$(000's)</i> | <i>Retail Sales Permits</i> | <i>Total Taxable Transactions \$(000's)</i> | <i>Issued Sales Permits</i> |
|-------------|-----------------------------------|---------------------------------|---|---------------------------------|
| 2007 | \$1,927,123 | 1,489 | \$2,439,610 | 3,852 |
| 2008 | 1,698,408 | 1,589 | 2,252,610 | 3,928 |
| 2009 | 1,530,027 | 2,366 | 2,040,933 | 3,769 |
| 2010 | 1,623,453 | 2,433 | 2,191,041 | 3,888 |
| 2011* | 838,979 | 2,444 | 1,140,041 | 3,915 |

* Through second quarter 2011.

Source: California State Board of Equalization, *Taxable Sales in California (Sales and Use Tax)*.

Building Activity

The following table summarizes building activity valuations for Carlsbad for the years 2007 through 2011.

**TABLE NO. G-6
CITY OF CARLSBAD
BUILDING ACTIVITY AND VALUATION
(in Thousands)
2007 - 2011**

| | <i>2007</i> | <i>2008</i> | <i>2009</i> | <i>2010</i> | <i>2011</i> |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Residential | \$ 120,757,604 | \$ 75,518,917 | \$ 60,096,868 | \$ 117,124,761 | \$ 84,067,062 |
| Non-Residential | <u>130,979,208</u> | <u>94,203,639</u> | <u>43,012,076</u> | <u>61,706,669</u> | <u>66,816,284</u> |
| Total Valuation | <u>\$ 251,636,812</u> | <u>\$ 168,722,556</u> | <u>\$ 103,107,944</u> | <u>\$ 178,831,430</u> | <u>\$ 150,883,346</u> |
| Total Permits | 372 | 263 | 178 | 378 | 317 |

Source: Construction Industry Research Board.

Transportation

Centrally located in Southern California, the City is accessible to major transportation resources; surrounded by Interstates 5 and 78; served by Amtrak rail lines; 35 miles north of San Diego International Airport and from facilities at San Diego harbors.

Public transportation through the City and surrounding communities is provided by the Metropolitan Transit System, a network of several agencies providing bus and, train services within San Diego County. Within the City, North Coast Transit District (“NCTD”) operates the Breeze, gas-powered buses which provide transportation linking the greater Northern San Diego County area. NCTD buses stop in multiple points within the City including Carlsbad Village and Plaza Camino Real.

The NCTD also operates the Coaster, a commuter train which travels north along the coast line to Oceanside and south to downtown San Diego as well as east from Carlsbad Village to major employment sites within Carlsbad located along Palomar Airport Road.

In addition, McClellan-Palomar Airport, a small commercial and private airport, is located within the City and is served by US Airways and United Express with regularly scheduled flights to LAX and Phoenix.

Education

Carlsbad is located near four major universities and two community colleges. Portions of the City are located within one unified school district, a high school district and two elementary school districts.

Utilities

San Diego Gas & Electric provides electric power and natural gas in the City and to most communities in the County. Telephone service is provided by Cox Communications and SBC Communications Inc. The Carlsbad Municipal Water District (“CMWD”), a subsidiary district of the City, provides water to approximately 85 percent of the City, an area of about 32 square miles. Residents of the City not served by CMWD, receive water service from the Olivenhain Municipal Water District or the Vallecitos Water District.

Community Facilities and Recreation

The City is a beach community fronted by over six miles of coastline from Buena Vista Lagoon in the north to Batiquitos Lagoon in the south. Throughout the year, locals and tourists enjoy swimming, surfing, fishing, diving, jogging and relaxing at the City’s beaches. The mile long Carlsbad seawall is a popular location for a walk along the beach or a run off of the sand. The City also has three lagoons with ecosystems which provide bird watching and nature walks as well as water sports such as non-motorized boating.

The City is home to many parks which offer a variety of leisure activities, including softball, volleyball and soccer in addition to providing playground equipment and picnic tables. Jazz concerts in the park have become a summer tradition in the City. Every Friday evening a thousand or more jazz enthusiasts bring their picnic baskets and chairs to enjoy a free concert under the stars at one of Carlsbad's community parks.

The City is also known for its golf facilities. The City is home to two world-class golf resorts and more than 30 golf industry businesses.

Attractions within the City include Legoland, California. Legoland is a lego-based theme park with over 50 rides, shows and attractions catering to children from ages two to twelve and their families.

The Flowers Fields, located at Carlsbad Ranch, is a commercial ranunculus field open to the public with over 50 acres of giant tecolote ranunculus, a garden of miniature roses, Ecker poinsettias and a tractor tour of the Ranch that has been in operation for over 50 years.

Also located within the City is the Museum of Making Music. The Museum curates public exhibits that relate to the history of American popular music, the manufacture and retail of musical instruments and the history of the music products industry from 1890's to the present day. The Museum's galleries consist of more than 450 vintage instruments and artifacts on display, hundreds of audio samples of popular music and an area for visitors to interact with a variety of live, hands-on instruments. The museum also organizes public events, performances and lectures whose purpose is to entertain, educate and inform audiences of the benefits and heritage of making music.



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