



2012 General Obligation Bonds

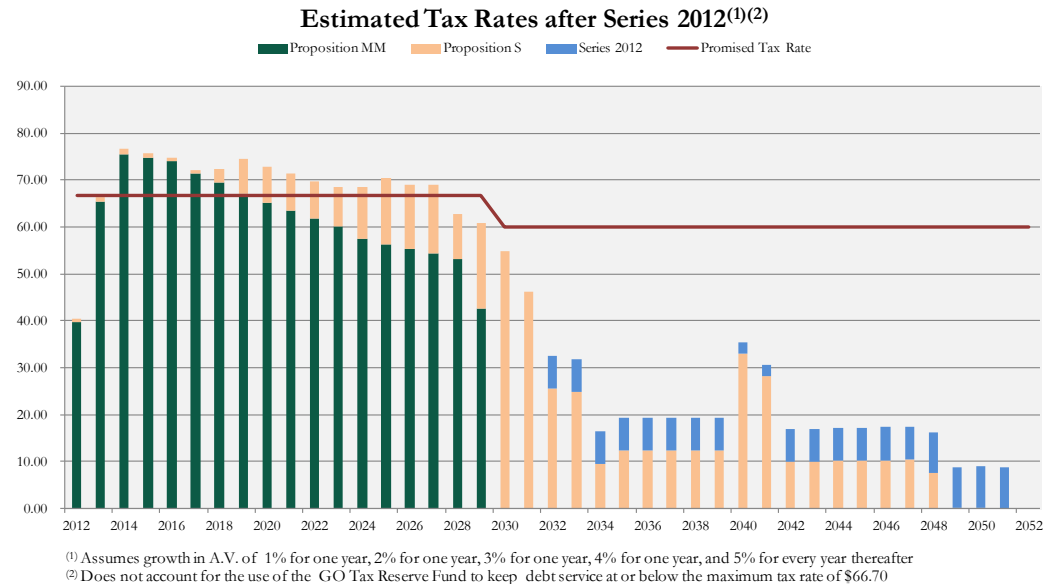
(Election of 2008, Series E)

Priced May 9, 2012

\$149,998,824.05

Structure and Estimated Tax Rates

Bond Component	Maturity	Amount	Coupon Rate	Yield	Total Debt Service
CAB	07/01/32	\$7,798,224	5.440%	4.890%	\$22,940,000
CAB	07/01/33	3,563,112	4.960%	4.960%	24,083,988
CAB	07/01/34	3,735,792	5.040%	5.040%	25,288,988
CAB	07/01/35	3,893,008	5.110%	5.110%	26,553,988
CAB	07/01/36	4,036,881	5.170%	5.170%	27,878,988
	07/01/37				29,273,988
	07/01/38				30,735,463
	07/01/39				32,273,288
	07/01/40				11,302,225
	07/01/41				11,302,225
Convertible CAB Term Bond	07/01/42	27,754,585	5.250%	5.250%	37,362,225
	07/01/43				39,229,075
	07/01/44				41,189,469
	07/01/45				43,249,856
	07/01/46				45,414,650
Convertible CAB Term Bond	07/01/47	63,631,678	5.375%	5.375%	47,682,188
	07/01/48				62,238,681
CAB Term Bond	07/01/49	18,140,188	5.400%	5.400%	65,350,000
	07/01/50				68,618,009
CAB Term Bond	07/01/51	17,445,356	5.480%	5.480%	72,045,000
Totals		\$149,998,824			\$764,012,290



❑ Structure included both serial Capital Appreciation Bonds (“CABs”) and Convertible CABs

- The purpose for the issuance of CABs and Convertible CABs was to structure around existing principle and interest payments in order to maintain a maximum aggregate tax rate of \$66.67 per \$100,000 of Assessed Value

Underlying Ratings and Comparable Transactions

- ❑ Credit ratings were requested from both Standard & Poor's ("S&P") and Moody's Investor's Service ("Moody's") for the 2012 GO Bonds
 - The School District continued its emphasis of the ad valorem pledge to the 2012 GO Bonds and as a result of the rating agencies' review, the 2012 GO Bonds were assigned underlying ratings of "AA-" (stable outlook) and "Aa2" (negative outlook) from S&P and Moody's respectively

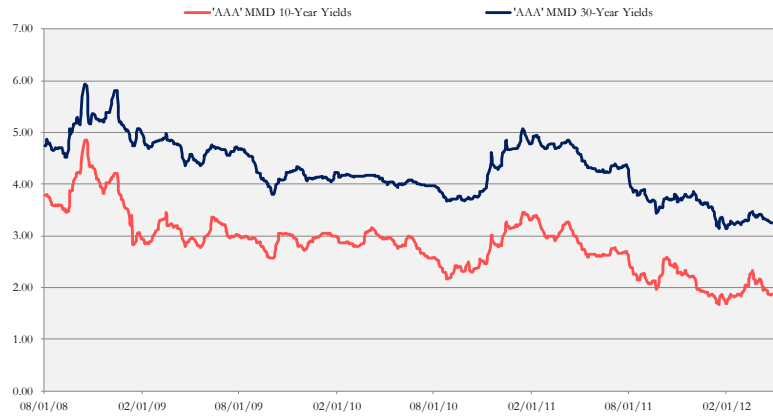
Pricing Comparables

School District	Date of Sale	Par Amount <i>(CAB or Conv. CAB Portion)</i>	Underlying Rating <i>(Moody's/S&P/Fitch)</i>	Bond Insurance
San Diego Unified School District 2012 General Obligation Bonds	05/09/12	\$149,998,824	(Aa2 / AA- / --)	-
San Marcos Unified School District GO Bonds, Election of 2010, Series B	04/23/12	\$64,995,522	(Aa2 / AA- / --)	-
San Gabriel Unified School District Election of 2008 GO Bonds, Series B	04/16/12	\$12,348,464	(Aa3 / A+ / --)	-
Morongo Unified School District GO Bonds, 2005 Election, Series C	03/26/12	\$4,994,127	(Aa3 / -- / --)	-
Cerritos Community College District Election of 2004 GO Bonds, Series 2012D	03/21/12	\$35,760,515	(Aa3 / -- / --)	-
Kings Canyon Joint Unified School District GO Bonds, Election of 2006, Series 2012C	03/15/12	\$8,474,303	(-- / AA- / --)	-
Orland Joint Unified School District GO Bonds, 2008 Election, 2012 Series B	03/12/12	\$5,480,069	(-- / A / --)	AGM
San Diego Unified School District 2012 GO Refunding Bonds, Series R-1 and R-2	02/27/12	\$122,304,272	(Aa2 / AA- / --)	-
Savanna Elementary School District GO Bonds, 2008 Election, Series B	01/24/12	\$6,411,044	(-- / A+ / --)	AGM

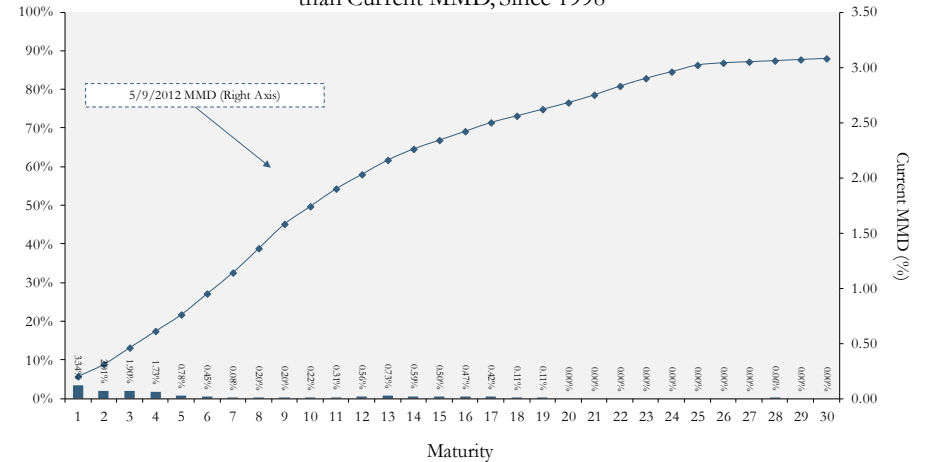
- ❑ Since March 2012, there had been eight comparable CAB and Convertible CAB transactions issued for school districts in California

Market for the 2012 GO Bonds

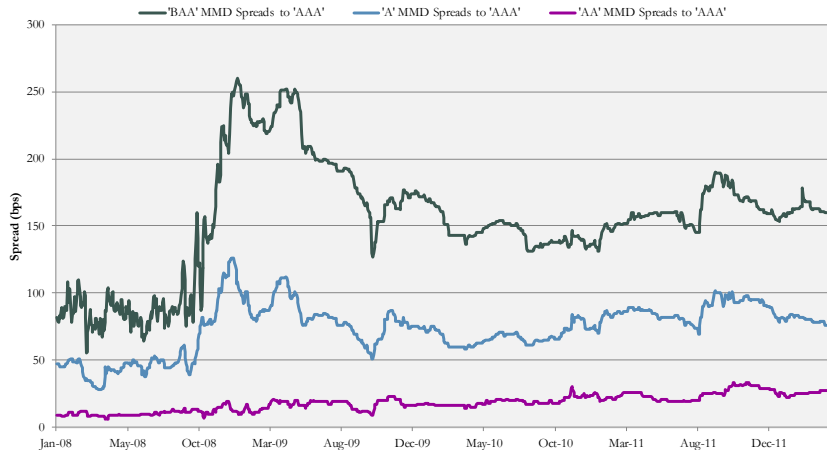
Historical Change in 'AAA' MMD Yields
August 1, 2008 through May 9, 2012



"AAA" MMD and Percentage of Time "AAA" MMD has been Lower than Current MMD, Since 1998



30-Year MMD Credit Spreads
January 1, 2008 through May 4, 2012



- ❑ The AAA MMD 10-year yields and the AAA MMD 30-year yields experienced large declines beginning in August 2011 and reached historic lows in many maturities during the week of pricing
- ❑ Since the beginning of 2012 through the day of pricing, credit spreads had tightened
- ❑ Stock markets were on the decline leading up to the sale of the 2012 GO Bonds due mainly towards uncertainty surrounding the sovereign debt crisis in Greece and Spain, as well as other fiscal issues for member countries within the European Union
 - Economic concerns regarding the Euro and Greece in particular had been plaguing general economic news and debt markets for some time, which is attributable to why municipal yields remained low