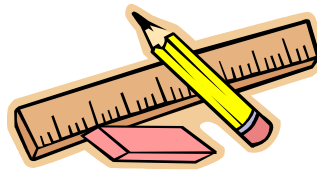

San Diego Unified School District

Proposition S Bond Program Update





Proposition S Authorization

- \$2.1 billion of bonds authorized by voters
- 68.71% voter approval on November 4, 2008
- Secured by general obligation (“G.O.”) property tax
- Extends current Prop. MM tax rate of \$66.70 / \$100,000 of assessed property value
- Original Prop. S bond program assumptions:
 - Phased issuances
 - Expected \$200 mm to be available annually
 - Bonds issued with 25 year maturities (option for longer term)
 - Bonds to be issued over period of 10 years
 - Final payment in 2044
 - Total debt service of \$5.9 bb

Borrowing Constraints

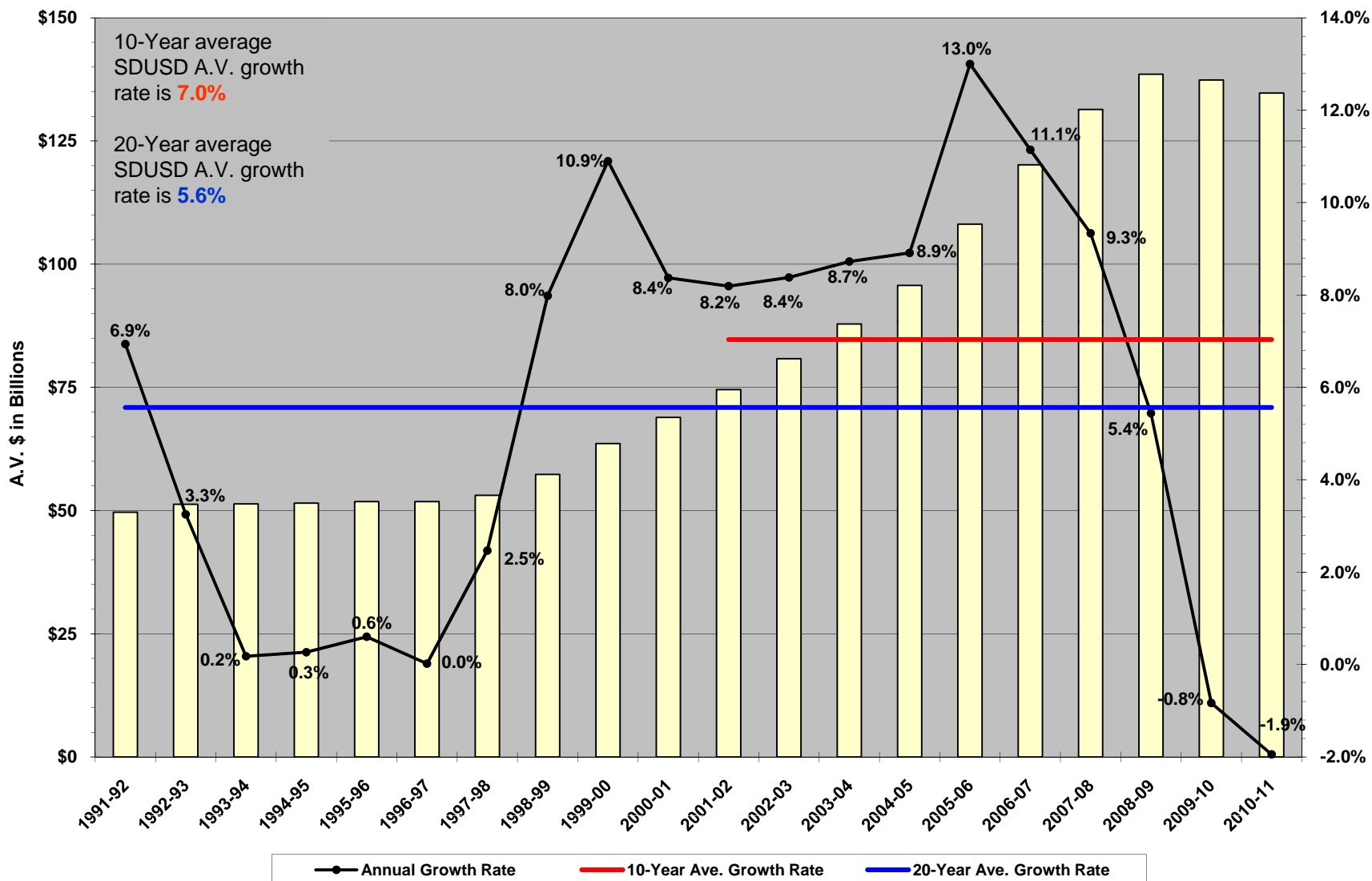
- District assessed valuation (“A.V.”):
 - Slowing A.V. growth delays ability to borrow
 - Program originally anticipated 5% annual A.V. growth rate
- Interest rates / market environment:
 - Higher rates and turmoil in financial markets reduce ability to borrow
 - Model assumes following interest rates:
 - Current market rates for debt issued
 - 5.5% rate for future current interest bonds
 - 6.0% rate for future capital appreciation bonds
- Approved combined maximum tax rate of \$66.70 / \$100,000 of A.V. for Prop. MM and Prop. S Authorizations

Assessed Valuation Growth

- A.V. growth key component of ability to borrow
- Real estate downturn has significant impact on Proposition S
- Proposition 13 typically limits downside potential
- A.V. growth rate assumptions:
 - 2009/10: (0.91)%
 - 2010/11: (1.91)%
 - 2011/12: 0.0%
 - 2012/13: 2.0%
 - 2013/14: 3.0%
 - 2014/15: 4.0%
 - Thereafter: 5.0%



Historic District A.V. Growth



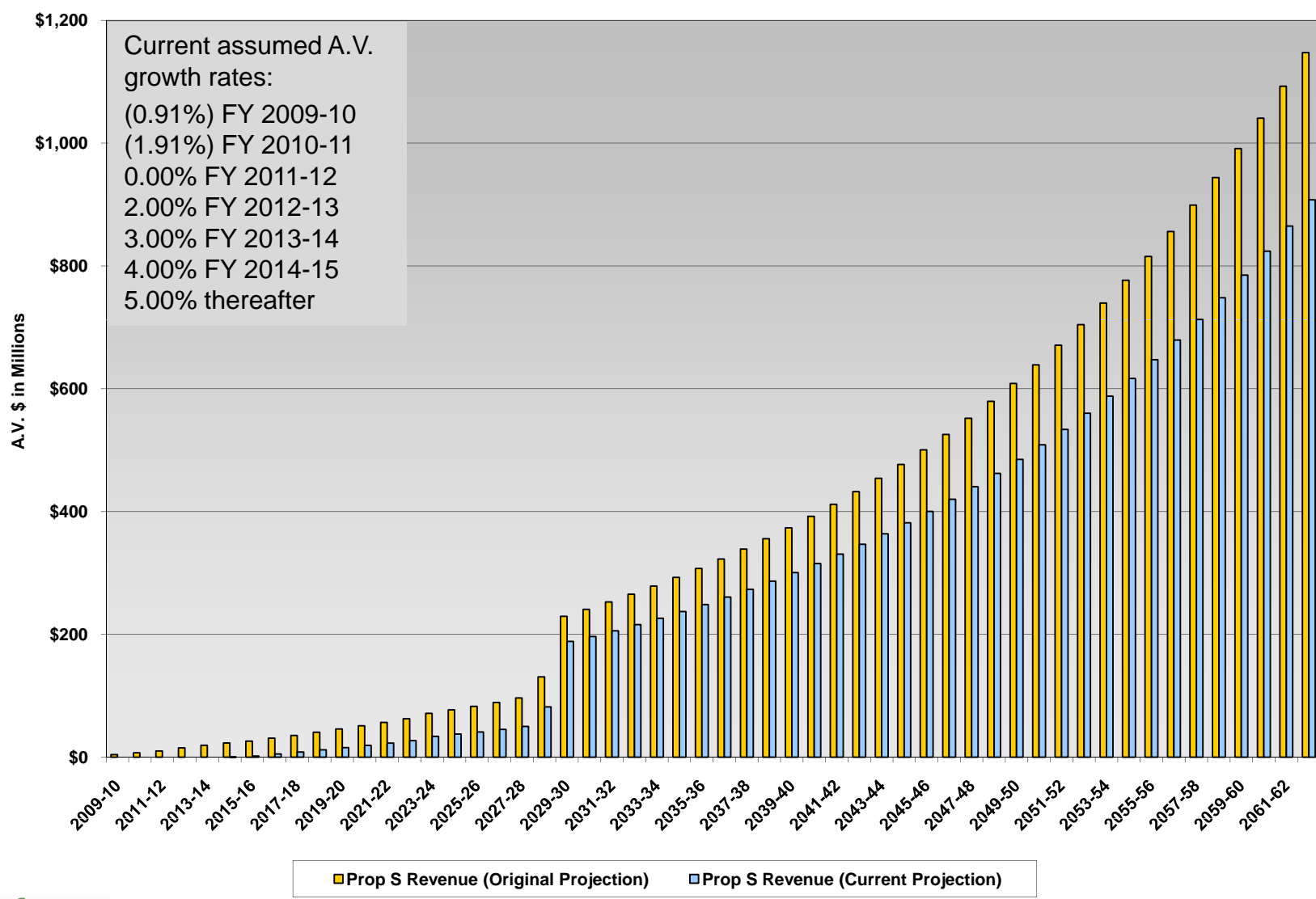


Projected Revenues for Prop. S

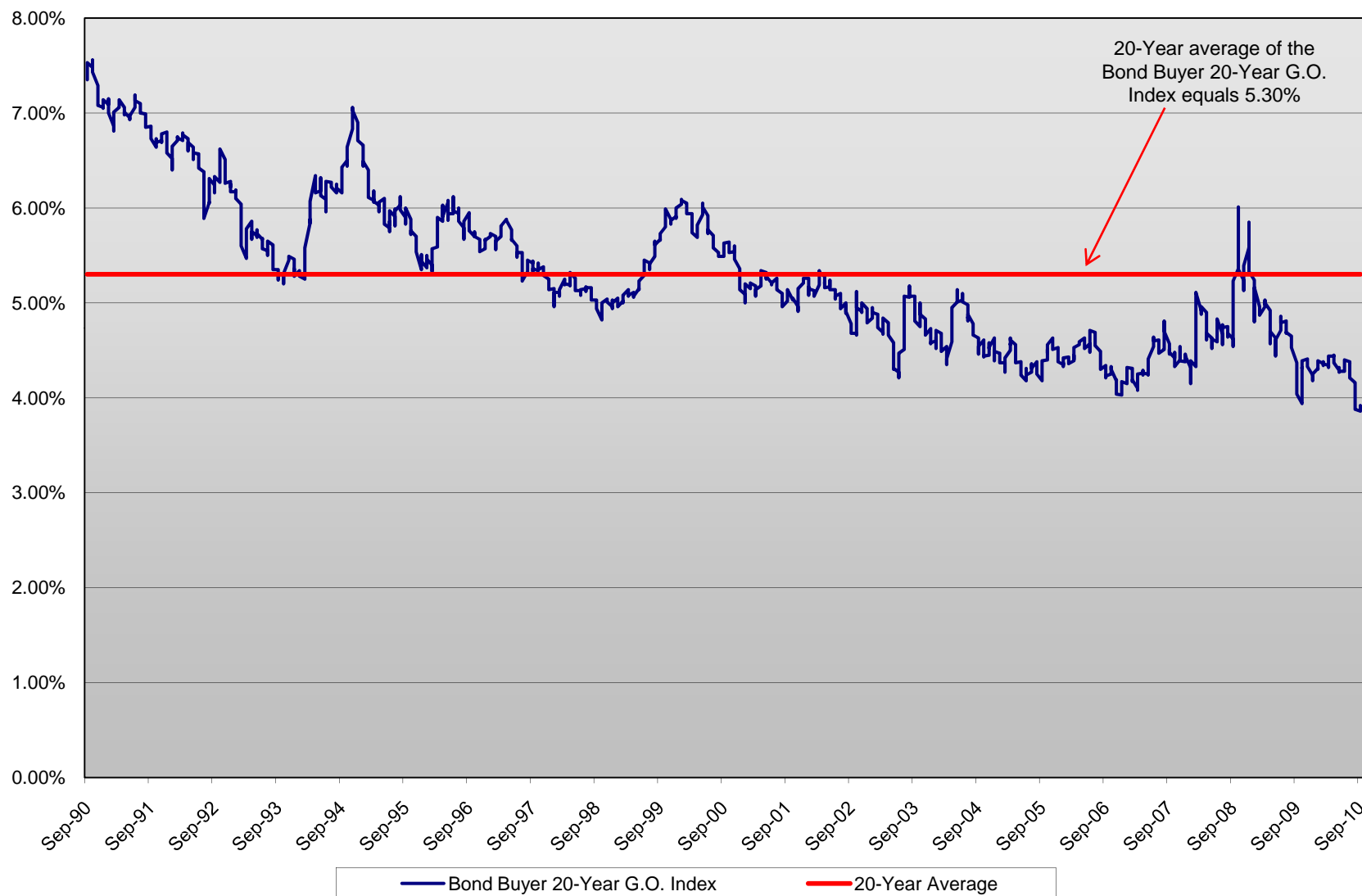
FISCAL YEAR ENDING	A.V. FOR RATE SETTING	PROJECTED A.V. INCREASE FROM PRIOR	TAX RATE	PROJECTED PROPERTY TAXES GENERATED	CASH BALANCE	TOTAL FUNDS AVAILABLE FOR D/S	EXISTING PROP. MM D/S	TOTAL FUNDS AVAILABLE FOR PROP. S
2009	135,787,312,311	--	0.0618%	83,706,042	13,782,343	97,488,385	97,474,885	13,500
2010	133,362,039,447	-0.91%	0.0667%	88,633,953	10,835,482	99,469,436	99,484,785	(15,349)
2011	132,040,443,330	-1.91%	0.0667%	88,070,976	7,889,787	95,960,763	101,250,416	(5,289,654)
2012	132,040,887,937	0.00%	0.0667%	88,071,272	11,000,000	99,071,272	103,402,479	(4,331,207)
2013	134,681,705,696	2.00%	0.0667%	89,832,698	11,000,000	100,832,698	103,535,659	(2,702,961)
2014	138,721,925,583	3.00%	0.0667%	92,527,524	11,000,000	103,527,524	105,042,709	(1,515,184)
2015	144,270,330,785	4.00%	0.0667%	96,228,311	11,000,000	107,228,311	107,031,975	196,336
2016	151,483,125,439	5.00%	0.0667%	101,039,245	11,000,000	112,039,245	110,197,505	1,841,740
2017	159,056,545,388	5.00%	0.0667%	106,090,716	11,000,000	117,090,716	111,748,370	5,342,346
2018	167,008,621,608	5.00%	0.0667%	111,394,751	11,000,000	122,394,751	114,065,270	8,329,481
2019	175,358,286,618	5.00%	0.0667%	116,963,977	11,000,000	127,963,977	115,933,143	12,030,835
2020	184,125,419,557	5.00%	0.0667%	122,811,655	11,000,000	133,811,655	118,167,436	15,644,219
2021	193,330,893,515	5.00%	0.0667%	128,951,706	11,000,000	139,951,706	120,778,606	19,173,100
2022	202,996,625,231	5.00%	0.0667%	135,398,749	11,000,000	146,398,749	123,453,869	22,944,880
2023	213,145,627,273	5.00%	0.0667%	142,168,133	11,000,000	153,168,133	126,188,701	26,979,432
2024	223,802,062,833	5.00%	0.0667%	149,275,976	11,000,000	160,275,976	126,358,626	33,917,350
2025	234,991,303,255	5.00%	0.0667%	156,739,199	11,000,000	167,739,199	130,099,876	37,639,323
2026	246,739,988,444	5.00%	0.0667%	164,575,572	11,000,000	175,575,572	134,447,644	41,127,929
2027	259,076,090,292	5.00%	0.0667%	172,803,752	11,000,000	183,803,752	138,624,156	45,179,596
2028	272,028,979,282	5.00%	0.0667%	181,443,329	11,000,000	192,443,329	142,286,194	50,157,135
2029	285,629,494,410	5.00%	0.0667%	190,514,873	11,000,000	201,514,873	119,531,994	81,982,879
2030	299,910,016,618	5.00%	0.0600%	180,917,060	7,500,000	188,417,060	0	188,417,060
2031	314,904,545,887	5.00%	0.0600%	188,942,728	7,500,000	196,442,728	0	196,442,728
2032	330,648,782,187	5.00%	0.0600%	198,389,269	7,500,000	205,889,269	0	205,889,269
2033	347,180,210,483	5.00%	0.0600%	208,308,126	7,500,000	215,808,126	0	215,808,126
2034	364,538,189,977	5.00%	0.0600%	218,722,914	7,500,000	226,222,914	0	226,222,914
2035	382,764,047,825	5.00%	0.0600%	229,658,429	7,500,000	237,158,429	0	237,158,429
2036	401,901,177,533	5.00%	0.0600%	241,140,707	7,500,000	248,640,707	0	248,640,707

CONTINUED UNTIL FINAL MATURITY

Projected Tax Revenue



Historic Borrowing Rates





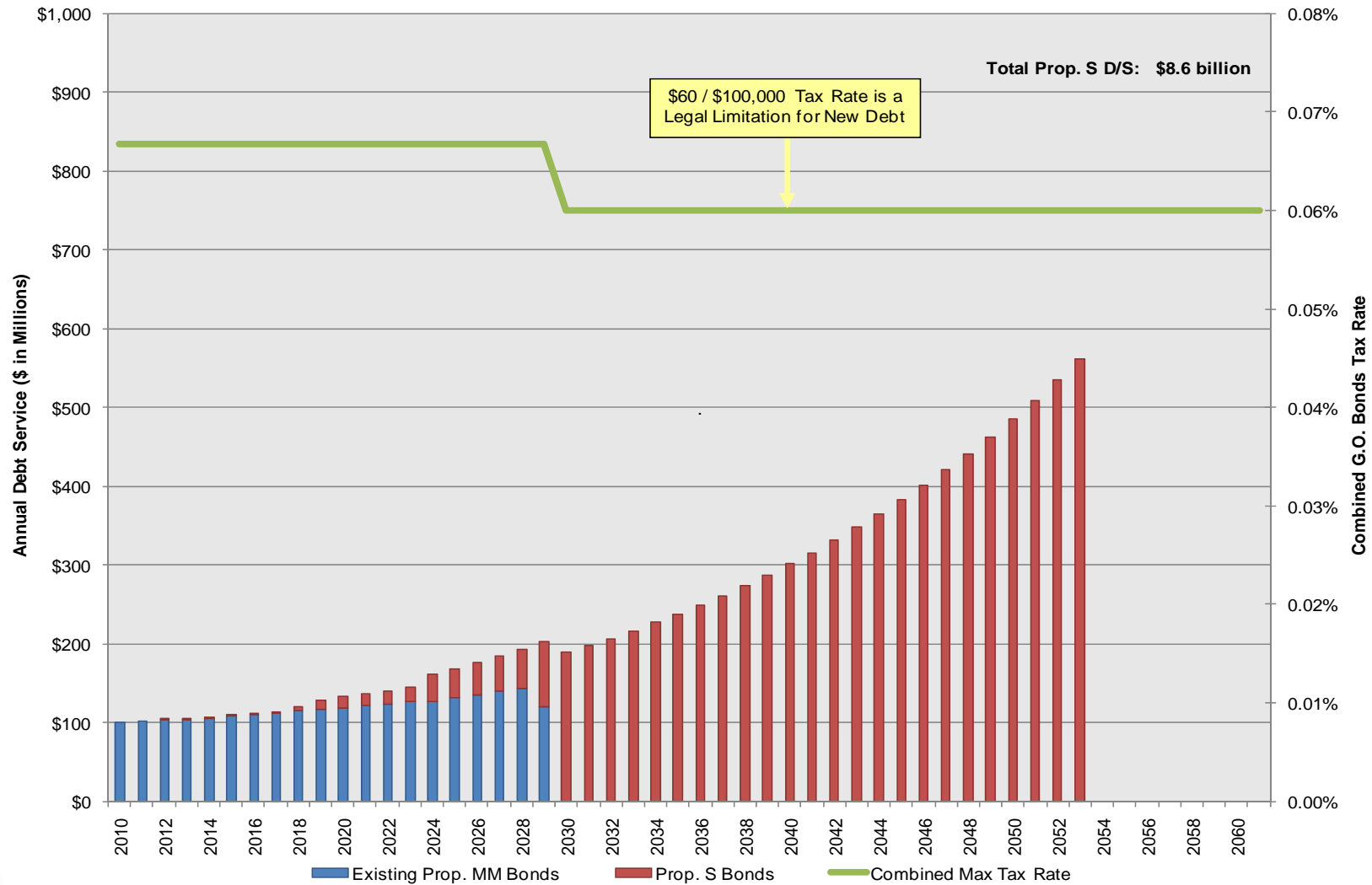
Schedule - 25 Year Issuances

Issuance Date	Est. Amount	Est. Maturity
April 2009	\$170 mm	July 1, 2033 (24 years)
August 2010	\$200 mm	July 1, 2050 (40 years)
August 2011	\$75 mm	July 1, 2036 (25 years)
August 2012	\$75 mm	July 1, 2037 (25 years)
August 2013	\$75 mm	July 1, 2038 (25 years)
August 2014	\$80 mm	July 1, 2039 (25 years)
August 2015	\$80 mm	July 1, 2040 (25 years)
August 2016	\$80 mm	July 1, 2041 (25 years)
August 2017	\$80 mm	July 1, 2042 (25 years)
August 2018	\$80 mm	July 1, 2043 (25 years)
August 2019	\$80 mm	July 1, 2044 (25 years)
August 2020	\$80 mm	July 1, 2045 (25 years)
August 2021	\$95 mm	July 1, 2046 (25 years)
August 2022	\$105 mm	July 1, 2047 (25 years)
August 2023	\$105 mm	July 1, 2048 (25 years)
August 2024	\$125 mm	July 1, 2049 (25 years)
August 2025	\$125 mm	July 1, 2050 (25 years)
August 2026	\$130 mm	July 1, 2051 (25 years)
August 2027	\$130 mm	July 1, 2052 (25 years)
August 2028	\$130 mm	July 1, 2053 (25 years)



Debt Service - 25 Year Issuances

Annual G.O. Bonds Debt Service
 (\$66.67 / \$100,000 to \$60.00 / \$100,000 Combined Tax Rate)



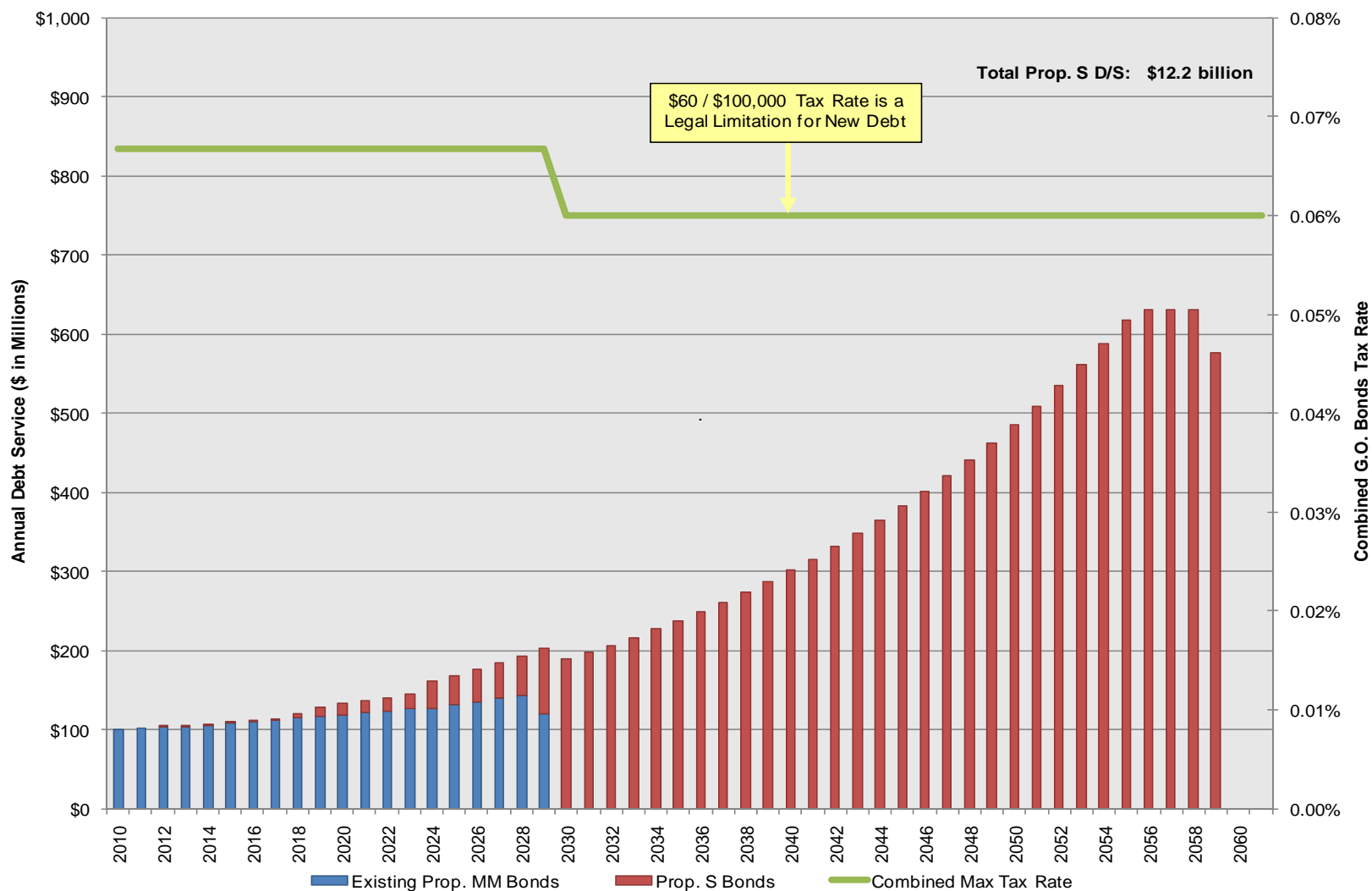


Schedule - 40 Year Issuances

Issuance Date	Est. Amount	Est. Maturity
April 2009	\$170 mm	July 1, 2033 (24 years)
August 2010	\$200 mm	July 1, 2050 (40 years)
August 2011	\$140 mm	July 1, 2051 (40 years)
August 2012	\$145 mm	July 1, 2052 (40 years)
August 2013	\$145 mm	July 1, 2053 (40 years)
August 2014	\$145 mm	July 1, 2054 (40 years)
August 2015	\$160 mm	July 1, 2055 (40 years)
August 2016	\$160 mm	July 1, 2056 (40 years)
August 2017	\$165 mm	July 1, 2057 (40 years)
August 2018	\$165 mm	July 1, 2058 (40 years)
August 2019	\$165 mm	July 1, 2059 (40 years)
August 2020	\$170 mm	July 1, 2059 (39 years)
August 2021	\$170 mm	July 1, 2059 (38 years)

Debt Service - 40 Year Issuances

Annual G.O. Bonds Debt Service
 (\$66.67 / \$100,000 to \$60.00 / \$100,000 Combined Tax Rate)





Model Comparison

	October Board Workshop*	25 Year Issuances	40 Year Issuances
Total proceeds generated	\$2.1 bb	\$2.1 bb	\$2.1 bb
Number of future issuances	13	18	11
Date of final issuance	2023	2028	2021
Date of final payment	2053	2053	2059
Average proceeds per future issuance	\$157.3 mm	\$96.1 mm	\$157.3 mm
Total debt service cost	\$7.9 bb	\$8.6 bb	\$12.2 bb

* Model assumed a 30 year final maturity and a significantly back-loaded issuance schedule