

MATERIAL EVENTS DISCLOSURE
 South Coast Conservancy District
 \$8,500,000 Conservancy District Bonds of 2006

Please indicate whether or not there has been any occurrence of the material events listed below.

	<u>Yes</u>	<u>No</u>
Within 10 business days of the occurrence, notice of the following events, if material (determination of materiality shall be made by the District):		
1. Non-payment related defaults	_____	_____/✓
2. Modifications to rights of Bondholders	_____	_____/✓
3. Bond calls	_____	_____/✓
4. Release, substitution or sale of property securing repayment of the Bonds	_____	_____/✓
5. The consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing	_____	_____/✓
6. Appointment of a successor or additional trustee or the change of name of a trustee	_____	_____/✓

Within 10 business days of the occurrence, notice of the following events, regardless of materiality:

7. Principal and interest payment delinquencies	_____	_____/✓
8. Unscheduled draws on debt service reserves reflecting financial difficulties	_____/ * See below	_____/✓
9. Unscheduled draws on credit enhancements reflecting financial difficulties	_____	_____/✓
10. Substitution of credit or liquidity providers, or their failure to perform	_____	_____/✓
11. Defeasances	_____	_____/✓
12. Rating changes	_____	_____/✓
13. Adverse tax opinions or other material events affecting the tax-exempt status of the Bonds, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the securities	_____	_____/✓
14. Tender offers	_____	_____/✓
15. Bankruptcy, insolvency, receivership or similar event of the obligated person	_____	_____/✓

Please list below any other events that have occurred which would be material and therefore have a significant effect on the security of the bonds.

* Due to delays in receipt of tax payments from LaBorie County, a draw was made on the debt reserve

On behalf of the South Coast Conservancy District, I certify the above information to be correct and complete.

South Coast Conservancy District

Dated: 4/23/13

By: Brock Martin
 Brock Martin