

**NEW ISSUE—BOOK-ENTRY**

**Insured: S&P: “AA”**  
**Underlying: S&P: “A”**  
**See “RATINGS” herein.**

*In the opinion of Aleshire & Wynder, LLP, Bond Counsel, based on existing statutes, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, interest on the Bonds is exempt from State of California personal income taxes and interest on the 2015 Series A Bonds is excludable from gross income for federal income tax purposes. In the opinion of Bond Counsel, interest on the 2015 Series A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding other federal or State tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See “TAX MATTERS” herein.*

**\$19,335,000\***  
**Successor Agency to the**  
**Redevelopment Agency of the City of Rialto**  
**Tax Allocation Revenue Refunding Bonds**  
**(Merged Project Area)**  
**2015 Series A (Tax-Exempt)**

**\$15,230,000\***  
**Successor Agency to the**  
**Redevelopment Agency of the City of Rialto**  
**Tax Allocation Revenue Refunding Bonds**  
**(Merged Project Area)**  
**2015 Series B (Taxable)**

**\$8,160,000\***  
**Successor Agency to the**  
**Redevelopment Agency of the City of Rialto**  
**Tax Allocation Housing Revenue Refunding Bonds**  
**(Merged Project Area)**  
**2015 Series C (Taxable)**

**Dated: Delivery Date****Due: September 1, as shown on the inside cover**

The Successor Agency to the Redevelopment Agency of the City of Rialto (the “Successor Agency”) is issuing its \$19,335,000\* Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series A (Tax-Exempt) (the “2015 Series A Bonds”), its \$15,230,000\* Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series B (Taxable) (the “2015 Series B Bonds”), and its \$8,160,000\* Tax Allocation Housing Revenue Refunding Bonds (Merged Project Area) 2015 Series C (Taxable) (the “2015 Series C Bonds” and, together with the 2015 Series A Bonds and the 2015 Series B Bonds, the “Bonds”).

*The 2015 Series A Bonds are being issued to (i) refund all of the Redevelopment Agency of the City of Rialto Tax Allocation Bonds (Merged Project Area), 2005 Series A, currently outstanding in the aggregate principal amount of \$23,885,000, (ii) fund a portion of the reserve account for the Non-Housing Bonds (defined below) or acquire a reserve surety for the Non-Housing Bonds, and (iii) pay the costs of issuance of the 2015 Series A Bonds. The 2015 Series B Bonds are being issued to (i) refund all of the Redevelopment Agency of the City of Rialto Tax Allocation Bonds (Merged Project Area), 2005 Series C (Taxable), currently outstanding in the aggregate principal amount of \$16,635,000, (ii) fund a portion of the reserve account for the Non-Housing Bonds or acquire a reserve surety for the Non-Housing Bonds, and (iii) pay the costs of issuance of the 2015 Series B Bonds. The 2015 Series C Bonds are being issued to (i) refund all of the Redevelopment Agency of the City of Rialto Tax Allocation Housing Set-Aside Bonds (Merged Project Area), 2005 Series B (Taxable), currently outstanding in the aggregate principal amount of \$9,045,000, (ii) fund a reserve account for the 2015 Series C Bonds or acquire a reserve surety for the 2015 Series C Bonds, and (iii) pay the costs of issuance of the 2015 Series C Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING” herein.*

*The 2015 Series A Bonds and the 2015 Series B Bonds (together, the “Non-Housing Bonds”) will be issued under an Indenture of Trust, dated as of July 1, 2015 (the “Non-Housing Indenture”), by and between the Successor Agency and MUFJ Union Bank, N.A., as trustee (the “Trustee”). The 2015 Series C Bonds will be issued under an Indenture of Trust, dated as of July 1, 2015 (the “Housing Indenture”), by and between the Successor Agency and the Trustee. Interest on the Bonds will be due March 1 and September 1 of each year, commencing March 1, 2016. The Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to ultimate purchasers (“Beneficial Owners”) in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the Bonds. See “THE BONDS - Book-Entry System” herein.*

*The scheduled payment of principal of and interest on all or a portion of the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company (“BAM”) See “BOND INSURANCE” herein.*



The Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS - Redemption” herein.

The Non-Housing Bonds are special obligations of the Successor Agency and are payable, as to interest thereon and principal thereof, exclusively from the pledged Non-Housing Tax Revenues (as defined herein) and amounts held in the Special Fund and the Redemption Fund, and the Successor Agency is not obligated to pay them except from the Non-Housing Tax Revenues and amounts held in the Special Fund and the Redemption Fund under the Non-Housing Indenture. All of the Non-Housing Bonds are equally secured by a pledge of, and charge and lien upon, all of the Non-Housing Tax Revenues and amounts held in the Special Fund and the Redemption Fund, and such amounts constitute a trust fund for the security and payment of the interest on and the principal of the Non-Housing Bonds.

The 2015 Series C Bonds are special obligations of the Successor Agency and are payable, as to interest thereon and principal thereof, exclusively from the pledged Housing Set-Aside (as defined herein) and amounts held in the Special Fund and the Redemption Fund, and the Successor Agency is not obligated to pay them except from the Housing Set-Aside and amounts held in the Special Fund and the Redemption Fund under the Housing Indenture. All of the 2015 Series C Bonds are equally secured by a pledge of, and charge and lien upon, all of the Housing Set-Aside and amounts held in the Special Fund and the Redemption Fund, and such amounts constitute a trust fund for the security and payment of the interest on and the principal of the Housing Bonds.

**The Bonds are not a debt of the City of Rialto, California (the “City”), the State of California or any of its political subdivisions (other than the Successor Agency), and neither the City, the State nor any of its political subdivisions (other than the Successor Agency) is liable therefor, nor in any event shall the Bonds be payable out of any funds or properties other than pledged Non-Housing Tax Revenues or the Housing Set-Aside, as applicable, of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Successor Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance. The Bonds are issued on a parity with certain other outstanding bonds disclosed herein.**

**This cover page contains certain information for general reference only. It is not a summary of the security or terms of this issue. Investors must read this entire Official Statement to obtain information essential to making an informed investment decision with respect to the Bonds.** Capitalized terms used and not defined on this cover page are defined herein or in the applicable Indenture.

The Bonds are offered, when, as and if issued and accepted by the Underwriters, subject to the approval of validity by Aleshire & Wynder LLP, as Bond Counsel. Certain legal matters will be passed on for the Successor Agency by Norton Rose Fulbright US LLP, Los Angeles, California, Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Underwriters by Jones Hall, A Professional Law Corporation, Underwriters’ Counsel. It is anticipated that the Bonds will be available for delivery through the book-entry facilities of DTC in New York, New York, on or about July 30, 2015.

**STIFEL**

 **Backstrom McCarley Berry & Co., LLC**

August \_\_, 2015.

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of such jurisdiction.

MATURITY SCHEDULE\*

\$ \_\_\_\_\_  
Successor Agency to the  
Redevelopment Agency of the City of Rialto  
Tax Allocation Revenue Refunding Bonds  
(Merged Project Area)  
2015 Series A (Tax-Exempt)

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u> <u>(Base 76246P)</u>
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\$ \_\_\_\_\_ – \_\_\_\_\_ % Term Bond due September 1, 20\_\_ – Yield – \_\_\_\_\_ %, Price \_\_\_\_\_ % – CUSIP \_\_\_\_\_ †

\$ \_\_\_\_\_  
Successor Agency to the  
Redevelopment Agency of the City of Rialto  
Tax Allocation Revenue Refunding Bonds  
(Merged Project Area)  
2015 Series B (Taxable)

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u> <u>(Base 76246P)</u>
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\$ \_\_\_\_\_ – \_\_\_\_\_ % Term Bond due September 1, 20\_\_ – Yield – \_\_\_\_\_ %, Price \_\_\_\_\_ % – CUSIP \_\_\_\_\_ †

\* Preliminary; subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the Successor Agency and are included solely for the convenience of investors. None of the Successor Agency, the Underwriters, the Fiscal Consultant or the Financial Advisor, are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

\$ \_\_\_\_\_<sup>\*</sup>  
**Successor Agency to the  
 Redevelopment Agency of the City of Rialto  
 Tax Allocation Housing Revenue Refunding Bonds  
 (Merged Project Area)  
 2015 Series C (Taxable)**

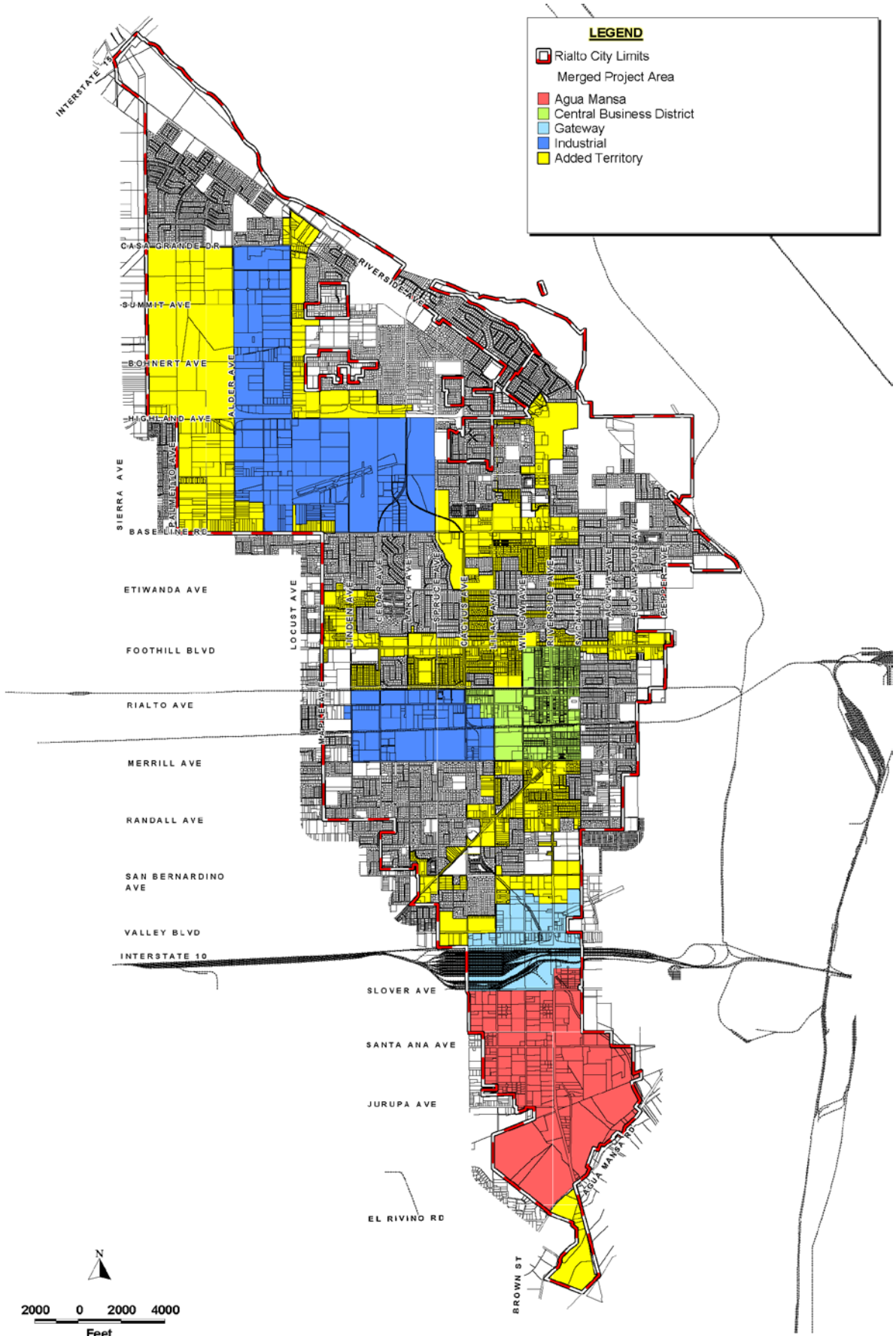
<b>Maturity Date (September 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP<sup>†</sup> (Base 76246P)</b>
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\$ \_\_\_\_\_ – \_\_\_\_% Term Bond due September 1, 20\_\_ – Yield – \_\_\_\_%, Price \_\_\_\_% – CUSIP \_\_\_\_\_<sup>†</sup>

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<sup>\*</sup> Preliminary; subject to change.

<sup>†</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the Successor Agency and are included solely for the convenience of investors. None of the Successor Agency, the Underwriter, the Fiscal Consultant or the Financial Advisor, are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.



**LEGEND**

- Rialto City Limits
- Merged Project Area
- Agua Mansa
- Central Business District
- Gateway
- Industrial
- Added Territory



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**SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF RIALTO**

**BOARD OF DIRECTORS**

Deborah Robertson, *Mayor*  
Joe Baca Jr., *Mayor Pro Tem*  
Shawn O'Connell, *Member*  
Edward M. Palmer, *Member*  
Ed Scott, *Member*

**CITY AND SUCCESSOR AGENCY STAFF**

Mike Story, *City Administrator*  
Robb Steel, *Assistant City Administrator/Director of Development Services*  
George Harris, *Director of Administrative Services*  
Edward J. Carrillo, *Treasurer*  
Barbara A. McGee, *Clerk*

**SPECIAL SERVICES**

**Financial Advisor**  
Fieldman, Rolapp & Associates  
Irvine, California

**Bond Counsel**  
Aleshire & Wynder LLP  
Irvine, California

**Fiscal Consultant**  
HdL Coren & Cone  
Diamond Bar, California

**Disclosure Counsel**  
Norton Rose Fulbright US LLP  
Los Angeles, California

**Trustee**  
MUFG Union Bank, N.A.  
Los Angeles, California

**Verification Agent**  
Grant Thornton LLP

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## **GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT**

The information set forth herein has been obtained from the Successor Agency and other sources believed to be reliable. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. No dealer, broker, salesperson or any other person has been authorized by the Successor Agency or the Underwriters to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein and, if given or made, such information or representations must not be relied upon as having been authorized by the Successor Agency or the Underwriters.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any offer or solicitation of such offer or any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale of the Bonds made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the Successor Agency or in any other information contained herein, since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 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 UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ABOVE, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE” and APPENDIX J – “SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access (“EMMA”) website.

The City of Rialto maintains a website with information pertaining to the Successor Agency. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.



## **FORWARD-LOOKING STATEMENTS**

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “expect,” “anticipate,” “intend,” “believe,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that 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 Successor Agency does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

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## OFFICIAL STATEMENT

**\$19,335,000\***  
**Successor Agency to the  
Redevelopment Agency of the City of Rialto  
Tax Allocation Revenue Refunding Bonds  
(Merged Project Area)  
2015 Series A (Tax-Exempt)**

**\$15,230,000\***  
**Successor Agency to the  
Redevelopment Agency of the City of Rialto  
Tax Allocation Revenue Refunding Bonds  
(Merged Project Area)  
2015 Series B (Taxable)**

**\$8,160,000\***  
**Successor Agency to the  
Redevelopment Agency of the City of Rialto  
Tax Allocation Housing Revenue Refunding Bonds  
(Merged Project Area)  
2015 Series C (Taxable)**

## INTRODUCTION

*This Introduction is not a summary of this Official Statement, and is qualified by more complete and detailed information contained in the entire Official Statement. A full review should be made of the entire Official Statement, including the cover page and attached appendices. The offering of Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not defined herein can be found in APPENDIX A – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES.”*

### **The Bonds and Authority for Issuance**

This Official Statement, including the cover page and appendices hereto, sets forth certain information in connection with the sale by the Successor Agency to the Redevelopment Agency of the City of Rialto (the “Successor Agency”) of its \$19,335,000<sup>\*</sup> Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series A (Tax-Exempt) (the “2015 Series A Bonds”), its \$15,230,000<sup>\*</sup> Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series B (Taxable) (the “2015 Series B Bonds”), and its \$8,160,000<sup>\*</sup> Tax Allocation Housing Revenue Refunding Bonds (Merged Project Area) 2015 Series C (Taxable) (the “2015 Series C Bonds” and, together with the 2015 Series A Bonds and the 2015 Series C Bonds, the “Bonds”).

The Bonds are being issued pursuant to the Constitution and laws of the State of California (the “State”), including Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Bond Law”), the Community Redevelopment Law, Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the “Redevelopment Law”), and Parts 1.8 and 1.85 of Division 24 of the Health and Safety Code (the “Dissolution Act”).

The 2015 Series A Bonds and the 2015 Series B Bonds (together, the “Non-Housing Bonds”) will be issued under an Indenture of Trust, dated as of July 1, 2015 (the “Non-Housing Indenture”), by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the “Trustee”). The 2015 Series C Bonds will be issued under an Indenture of Trust, dated as of July 1, 2015 (the “Housing Indenture” and, together with the Non-Housing Indenture, the “Indentures”), by and between the Successor Agency and the Trustee. All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX A – “SUMMARY OF CERTAIN PROVISIONS OF THE

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<sup>\*</sup> Preliminary; subject to change.

INDENTURES” or, if not defined therein, shall have the meanings assigned to such terms in the Indentures.

### **Purpose and Application of Proceeds**

The 2015 Series A Bonds are being issued to (i) refund all of the \$25,320,000 Redevelopment Agency of the City of Rialto Tax Allocation Bonds (Merged Project Area), 2005 Series A, currently outstanding in the aggregate principal amount of \$23,885,000 (the “Refunded 2005A Bonds”), (ii) fund a portion of the reserve account for the Non-Housing Bonds or acquire a reserve surety for the Non-Housing Bonds, and (iii) pay the costs of issuance of the 2015 Series A Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING.”

The 2015 Series B Bonds are being issued to (i) refund all of the \$19,870,000 Redevelopment Agency of the City of Rialto Tax Allocation Bonds (Merged Project Area), 2005 Series C (Taxable), currently outstanding in the aggregate principal amount of \$16,635,000 (the “Refunded 2005C Bonds”), (ii) fund a portion of the reserve account for the Non-Housing Bonds or acquire a reserve surety for the Non-Housing Bonds, and (iii) pay the costs of issuance of the 2015 Series B Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING.”

The 2015 Series C Bonds are being issued to (i) refund all of the \$11,285,000 Redevelopment Agency of the City of Rialto Tax Allocation Housing Set-Aside Bonds (Merged Project Area), 2005 Series B (Taxable), currently outstanding in the aggregate principal amount of \$9,045,000 (the “Refunded 2005B Bonds” and, together with the Refunded 2005A Bonds and the Refunded 2005C Bonds, the “Refunded Bonds”), (ii) fund a reserve account for the 2015 Series C Bonds or acquire a reserve surety for the 2015 Series C Bonds, and (iii) pay the costs of issuance of the 2015 Series C Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING.”

### **Outstanding Bonds**

In addition to the Refunded Bonds, the Redevelopment Agency of the City of Rialto (the “Predecessor Agency”) issued its \$42,185,000 Tax Allocation Bonds (Merged Project Area) 2008 Series A, (the “2008A Bonds”) currently outstanding in the aggregate principal amount of \$37,105,000, its \$29,600,000 Tax Allocation Housing Set-Aside Bonds (Merged Project Area) 2008 Series B (Taxable), (the “2008B Bonds”) currently outstanding in the aggregate principal amount of \$26,315,000, and its \$21,965,000 Tax Allocation Bonds (Merged Project Area) 2008 Series C, (the “2008C Bonds”) currently outstanding in the aggregate principal amount of \$20,010,000. The Successor Agency issued its \$16,515,000 Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2014 Series A, (the “2014 Bonds”) currently outstanding in the aggregate principal amount of \$16,515,000. The 2008A Bonds, the 2008C Bonds, and the 2014 Bonds are collectively hereinafter referred to as the “Non-Housing Parity Bonds.” The 2008B Bonds are hereinafter referred to as the “Housing Parity Bonds.” The Non-Housing Parity Bonds and the Housing Parity Bonds are payable from certain tax revenues of the Merged Project Area. The Successor Agency has covenanted in the Indentures to not issue any bonds on parity with the Bonds, the Housing Parity Bonds, or the Non-Housing Bonds, except for refunding purposes. See APPENDIX A – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES.”

### **The City, the Predecessor Agency and the Successor Agency**

The City of Rialto, California (the “City”) is located in the western portion of the County of San Bernardino (the “County”), approximately 60 miles east of the City of Los Angeles and just west of the City of San Bernardino. The City was incorporated in 1911, and is organized as a general law city with a Council-Administrator form of government. The City is approximately four miles wide and eight and

one-half miles long. The City is served by Interstate Freeways 210, 215, 10 and 15. See APPENDIX G – “SUPPLEMENTAL INFORMATION – City of Rialto.”

The Predecessor Agency was established pursuant to the Redevelopment Law. In 1977, the City Council of the City (the “City Council”) adopted Ordinance No. 733, which activated the Predecessor Agency. On June 29, 2011, Assembly Bill No. 26 (“AB X1 26”) was enacted, together with a companion bill, Assembly Bill No. 27 (“AB X1 27”). The provisions of AB X1 26 provided for the dissolution of all redevelopment agencies, including the Predecessor Agency. The provisions of AB X1 27 permitted redevelopment agencies to avoid dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al., v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. Dec. 29, 2011), challenging the constitutionality of AB X1 26 and AB X1 27. The California Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Predecessor Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB X1 26 relating to the dissolution and wind down of former redevelopment agency affairs are Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State of California (the “State”), as amended on June 27, 2012 by Assembly Bill No. 1484 (“AB 1484”), enacted as Chapter 26, Statutes of 2012 (as amended from time to time, the “Dissolution Act”).

On September 27, 2011, pursuant to Resolution No. 6057 and Section 34173 of the Dissolution Act, the City elected to serve as successor agency (the “Successor Agency”) to the Predecessor Agency. Subdivision (g) of Section 34173 of the Dissolution Act expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Predecessor Agency will not be transferred to the City nor will the assets of the Predecessor Agency become assets of the City.

### **The Merged Project Area**

The Merged Project Area was formed by the adoption of Ordinance No. 1333 on July 2, 2002, which merged the four existing project areas of the City and added additional territory (the “Added Territory”) to the Merged Project Area. The Merged Project Area merged the four project areas of the Predecessor Agency: the Industrial Project Area, the Gateway Project Area, the Agua Mansa Project Area and the Central Business District Project Area. See “THE MERGED PROJECT AREA.”

### **Security and Sources of Payment for the Bonds**

The Dissolution Act authorizes the issuance of refunding bonds, including the Bonds, to be secured by a pledge of, and lien on, the pledged Tax Revenues created by the Non-Housing Indenture and the pledged Housing Set-Aside created by the Housing Indenture, respectively. The Dissolution Act provides that bonds authorized thereunder to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller (the “Redevelopment Property Tax Trust Fund”), and that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the Bonds, are taxes allocated to the Successor Agency pursuant to the provisions of the Redevelopment Law and the State Constitution which provided for the allocation of tax increment revenues under the Redevelopment Law.

The Dissolution Act further provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Predecessor Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedule. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Recognized Obligation Payment Schedule."

Taxes levied on the property within the Merged Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various territories within the Merged Project Area, to the extent they constitute pledged Tax Revenues or Housing Set-Aside, as described herein, will be deposited in the Redevelopment Property Tax Trust Fund for transfer by the San Bernardino County Auditor-Controller (the "County Auditor-Controller") to the Successor Agency's Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Successor Agency's Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Recognized Obligation Payment Schedule." Monies deposited by the County Auditor-Controller into the Successor Agency's Redevelopment Obligation Retirement Fund will be transferred by the Successor Agency to the Trustee for deposit in the Special Fund established under the Indenture and administered by the Trustee in accordance with the Indenture.

### **Special Obligations**

The Bonds are special obligations of the Successor Agency and are payable, as to interest thereon and principal thereof, exclusively from the pledged Tax Revenues and amounts held in the Special Fund and the Redemption Fund, and the Successor Agency is not obligated to pay them except from the Tax Revenues and amounts held in the Special Fund and the Redemption Fund. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Tax Revenues and amounts held in the Special Fund and the Redemption Fund, and such amounts constitute a trust fund for the security and payment of the interest on and the principal of the Bonds. The Bonds are not a debt of the City, the State or any of its political subdivisions (other than the Successor Agency), and neither said City, said State nor any of its political subdivisions (other than the Successor Agency) is liable therefor, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Successor Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

### **Reserve Accounts**

To secure the payment of the principal of and interest on the Non-Housing Bonds, a Reserve Account for the Non-Housing Bonds is established in the Non-Housing Indenture, in an amount equal to the initial Reserve Requirement. To secure the payment of the principal of and interest on the 2015 Series C Bonds, a Reserve Account for the 2015 Series C Bonds is established in the Housing Indenture, in an amount equal to the initial Reserve Requirement. On the Closing Date the Reserve Requirement equals \$\_\_\_\_\_ for the Non-Housing Bonds and \$\_\_\_\_\_ for the 2015 Series C Bonds. On the Closing Date, the Successor Agency will deposit into the Reserve Account the Reserve Policy to be issued by the Bond Insurer to satisfy the Reserve Requirement. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Reserve Accounts."



## Statutory Pass-Through Payments

The Redevelopment Law authorizes redevelopment agencies to enter into pass-through agreements or tax sharing agreements. The Predecessor Agency entered into a number of pass-through agreements with respect to tax revenues relating to the Merged Project Area. Such pass-through agreements may affect the ability of the Successor Agency to make payments on the Bonds.

Section 34177.5(c) of the Redevelopment Law establishes procedures whereby the Successor Agency may make Statutory Pass-Through Payments subordinate to the payment of debt service on the Bonds. **The Successor Agency has satisfied the requirements of the Dissolution Act such that all Statutory Pass-Through Payments are subordinate to the payment of debt service on the Bonds.** See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Statutory Pass-Through Payments.”

## Further Information

Descriptions of the Redevelopment Law, the Bond Law, the Dissolution Act, the Bonds, the Indentures, the Successor Agency, the Predecessor Agency and the City are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Redevelopment Law, the Bond Law, the Dissolution Act, the Bonds, the Indentures, the Constitution and the laws of the State as well as the proceedings of the Predecessor Agency, the Successor Agency and the City are qualified in their entirety by reference to such documents and laws. References herein to the Bonds are qualified in their entirety by the form thereof included in the Indenture and the information with respect thereto included herein, copies of which are all available for inspection at the offices of the Successor Agency.

During the period of the offering of the Bonds, copies of the forms of all documents are available at the offices of Stifel, Nicolaus & Company, Incorporated at One Montgomery Street, 35<sup>th</sup> Floor, San Francisco, California 94104, and thereafter from the City Clerk’s office, City of Rialto, 141 South Riverside Avenue, Rialto, California 92376.

## PLAN OF REFUNDING

A portion of the proceeds of the Bonds, together with other available funds, will be deposited into separate escrow funds (collectively, the “Escrow Funds”) held under three separate Escrow Deposit Agreements, each dated as of July 1, 2015 (collectively, the “Escrow Agreements”), each by and between the Successor Agency and MUFG Union Bank, N.A., as escrow agent (the “Escrow Bank”), and applied on the respective Redemption Dates for the purpose of refunding all of the outstanding Refunded Bonds, as set forth in the following table.

<u>Series</u>	<u>Original Par Amount</u>	<u>Outstanding Par Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
Refunded 2005A Bonds	\$25,320,000	\$23,885,000	09/01/15	100%
Refunded 2005B Bonds	11,285,000	9,045,000	09/01/15	100
Refunded 2005C Bonds	19,870,000	16,635,000	09/01/15	100

The Successor Agency will cause each Escrow Fund deposit to be held in cash. The amounts deposited in the Escrow Funds will be held solely for the Refunded Bonds and will not be available to pay the principal of or interest on the Bonds or any obligations other than the Refunded Bonds. Grant Thornton LLP (the “Verification Agent”), upon delivery of the Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to it, relating to the

sufficiency of moneys deposited into each Escrow Fund to pay the principal, interest and redemption premium of the Refunded Bonds. See “VERIFICATION OF MATHEMATICAL ACCURACY.”

**ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds are summarized as follows.

	<b>2015 Series A</b>	<b>2015 Series B</b>	<b>2015 Series C</b>
	<b><u>Bonds</u></b>	<b><u>Bonds</u></b>	<b><u>Bonds</u></b>
<b>Sources:</b>			
Principal Amount of Bonds	\$	\$	\$
[Net] Premium			
Refunded Bonds Available Funds			
<b>Total Sources</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Uses:</b>			
Escrow Fund	\$	\$	\$
Costs of Issuance Fund <sup>(1)</sup>			
<b>Total Uses</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

<sup>(1)</sup> Includes Underwriters’ discount, fees and expenses for Bond Counsel, Disclosure Counsel, Financial Advisor, Fiscal Consultant, Verification Agent, Trustee, printing expenses, rating fees, bond insurance premium, surety premium, and other costs related to the issuance of the Bonds.

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## DEBT SERVICE SCHEDULE

The following table shows the annual debt service requirements on the Bonds.

September 1	2015 Series A Bonds			2015 Series B Bonds			Grand Total	2015 Series C Bonds		
	Principal	Interest	Total	Principal	Interest	Total		Principal	Interest	Total
2016										
2017										
2018										
2019										
2020										
2021										
2022										
2023										
2024										
2025										
2026										
2027										
2028										
2029										
2030										
2031										
2032										
2033										
2034										
2035										
Total										

The following tables show the annual debt service requirements on the Bonds, the Housing Parity Bonds and Non-Housing Parity Bonds.

**Non-Housing Bonds  
Debt Service Requirements  
(In thousands)**

<u>September 1</u>	<u>2008</u> <u>Series A</u>	<u>2008</u> <u>Series C</u>	<u>2014</u> <u>Series A</u>	<u>2015</u> <u>Series A</u>	<u>2015</u> <u>Series B</u>	<u>Total</u>
2016	\$ 2,548.08	\$ 1,854.50	\$ 1,726.15			
2017	2,561.43	1,851.00	1,721.75			
2018	2,552.91	1,850.63	1,725.95			
2019	2,557.91	1,853.00	1,727.70			
2020	2,541.66	1,847.75	1,731.70			
2021	2,539.08	1,855.25	1,732.70			
2022	2,549.78	1,849.38	1,730.70			
2023	2,528.11	1,850.88	1,740.70			
2024	2,515.67	1,854.00	1,741.95			
2025	2,507.39	1,858.38	1,754.70			
2026	2,517.20	1,848.63	1,758.50			
2027	2,509.71	1,845.50	1,758.75			
2028	4,745.79	1,853.25	-			
2029	3,221.34	1,850.75	-			
2030	3,248.21	1,848.38	-			
2031	3,283.33	1,855.75	-			
2032	3,320.81	1,851.75	-			
2033	3,640.07	1,846.75	-			
2034	3,679.06	1,855.38	-			
2035	<u>3,728.44</u>	<u>1,856.13</u>	<u>-</u>			
Total:	\$59,295.98	\$37,037.04	\$20,851.25			

**Housing Bonds  
Debt Service Requirements  
(In thousands)**

<u>September 1</u>	<u>2008 Series B</u>	<u>2015 Series C</u>	<u>Total</u>
2016	\$2,355.13		
2017	2,354.38		
2018	2,356.38		
2019	2,355.75		
2020	2,352.50		
2021	2,356.63		
2022	2,357.38		
2023	2,354.75		
2024	2,358.75		
2025	2,358.63		
2026	2,354.38		
2027	2,356.00		
2028	2,357.75		
2029	2,354.25		
2030	2,355.50		
2031	2,355.75		
<u>2032</u>	<u>2,354.63</u>		
Total	\$40,048.54		

**THE BONDS**

**Authority for Issuance**

The Non-Housing Bonds will be authorized for issuance pursuant to the Non-Housing Indenture and the 2015 Series C Bonds will be authorized for issuance pursuant to the Housing Indenture. In addition, the Bonds will be authorized and issued pursuant to the Redevelopment Law, the Bond Law and the Dissolution Act. The issuance of the Bonds, the execution and delivery of the Indentures, and preparation and delivery of the Official Statement were authorized by the Successor Agency pursuant to Resolution No. SA 9-15 adopted on June 9, 2015 (the “Resolution”) and by the Oversight Board pursuant to Resolution No. OB 15-07 adopted on June 10, 2015 (the “Oversight Board Resolution”).

On June 18, 2015, the State Department of Finance provided a letter to the Successor Agency stating that based on the State Department of Finance’s review and application of the law, the Oversight Board Resolution approving the Bonds was approved by the State Department of Finance. See APPENDIX F – “STATE DEPARTMENT OF FINANCE APPROVAL LETTER.”

## **Description of the Bonds**

The Bonds of each series will be dated the date of their delivery (the “Closing Date”), will be issued as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof (not exceeding the principal amount of Bonds maturing at any one time) and will mature on September 1 in the years and in the principal amounts and bear interest (on the basis of a 360-day year consisting of twelve months of thirty days each) as set forth on the inside cover hereof.

Interest on the Bonds will be payable on March 1 and September 1 of each year, commencing March 1, 2016 (each an “Interest Payment Date”) to and including the maturity or redemption date thereof. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is a day during the period from the sixteenth day of the month next preceding any Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless such date of authentication is prior to February 15, 2016, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of any Bond interest is then in default on the Outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds. Payment of interest on any Bond due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the Bonds registration books kept by the Trustee as the registered owner thereof as of the close of business on the fifteenth day of the month immediately preceding an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed by first class mail on the Interest Payment Date to such registered owner at the address as it appears in such books, or by wire transfer to an account in the United States upon written request delivered to the Trustee no later than the fifteenth (15th) day of the month next preceding such Interest Payment Date of a Holder of at least \$1,000,000 in aggregate principal amount of Bonds.

## **Book-Entry System**

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 certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX C – “BOOK-ENTRY SYSTEM.”

## **Redemption\***

*Optional Redemption of 2015 Series A Bonds.* The 2015 Series A Bonds due on or after September 1, 20\_\_ are subject to optional redemption prior to maturity at the option of the Successor Agency on any date on or after September 1, 20\_\_, as a whole or in part and by lot, from any source of available funds at a redemption price equal to the principal amount thereof to be redeemed, without premium, together with accrued interest thereon to the date fixed for redemption.

*Mandatory Sinking Account Redemption of 2015 Series A Bonds.* The \$\_\_\_\_\_ 2015 Series A Term Bonds maturing on September 1, 20\_\_ are subject to mandatory redemption, in part by lot, from mandatory sinking account payments set forth in the following schedule on September 1 in each year commencing September 1, 20\_\_, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of the 2015 Series A Bonds have been redeemed pursuant to

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\* Preliminary, subject to change.



optional redemption described above, the total amount of mandatory sinking account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the 2015 Series A Term Bonds so redeemed by reducing each such future mandatory sinking account payments on a pro rata basis so as to maintain level annual debt service payments (as nearly as practicable) in integral multiples of \$5,000 as shall be designated pursuant to written notice filed by the Successor Agency with the Trustee.

Redemption Date (September 1)	Principal Amount
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(maturity)

In lieu of such redemption, the Trustee may apply amounts in the Sinking Account to the purchase of 2015 Series A Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as may be directed in writing by the Successor Agency, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the 2015 Series A Term Bonds, as set forth in a Written Request of the Successor Agency. The par amount of any 2015 Series A Term Bonds so purchased by the Successor Agency in any twelve-month period immediately preceding any September 1 in the table above will be credited toward and will reduce the principal amount of 2015 Series A Term Bonds required to be redeemed on such September 1.

**Optional Redemption of 2015 Series B Bonds.** The 2015 Series B Bonds due on or after September 1, 20\_\_ are subject to optional redemption prior to maturity at the option of the Successor Agency on any date on or after September 1, 20\_\_, as a whole or in part and by lot, from any source of available funds at a redemption price equal to the principal amount thereof to be redeemed, without premium, together with accrued interest thereon to the date fixed for redemption.

**Mandatory Sinking Account Redemption of 2015 Series B Bonds.** The \$\_\_\_\_\_ 2015 Series B Term Bonds maturing on September 1, 20\_\_ are subject to mandatory redemption, in part by lot, from mandatory sinking account payments set forth in the following schedule on September 1 in each year commencing September 1, 20\_\_, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of the 2015 Series B Bonds have been redeemed pursuant to optional redemption described above, the total amount of mandatory sinking account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the 2015 Series B Term Bonds so redeemed by reducing each such future mandatory sinking account payments on a pro rata basis so as to maintain level annual debt service payments (as nearly as practicable) in integral multiples of \$5,000 as shall be designated pursuant to written notice filed by the Successor Agency with the Trustee.

Redemption Date (September 1)	Principal Amount
----------------------------------	---------------------

(maturity)

In lieu of such redemption, the Trustee may apply amounts in the Sinking Account to the purchase of 2015 Series B Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as may be directed in writing by the Successor Agency, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the 2015 Series B Term Bonds, as set forth in a Written Request of the Successor Agency. The par amount of any 2015 Series B Term Bonds so purchased by the Successor Agency in any twelve-month period immediately preceding any September 1 in the table above will be credited toward and will reduce the principal amount of 2015 Series B Term Bonds required to be redeemed on such September 1.

**Optional Redemption of 2015 Series C Bonds.** The 2015 Series C Bonds due on or after September 1, 20\_\_ are subject to optional redemption prior to maturity at the option of the Successor Agency on any date on or after September 1, 20\_\_, as a whole or in part and by lot, from any source of available funds at a redemption price equal to the principal amount thereof to be redeemed, without premium, together with accrued interest thereon to the date fixed for redemption.

**Mandatory Sinking Account Redemption of 2015 Series C Bonds.** The \$\_\_\_\_\_ 2015 Series C Term Bonds maturing on September 1, 20\_\_ are subject to mandatory redemption, in part by lot, from mandatory sinking account payments set forth in the following schedule on September 1 in each year commencing September 1, 20\_\_, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of the 2015 Series C Bonds have been redeemed pursuant to optional redemption described above, the total amount of mandatory sinking account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the 2015 Series C Term Bonds so redeemed by reducing each such future mandatory sinking account payments on a pro rata basis so as to maintain level annual debt service payments (as nearly as practicable) in integral multiples of \$5,000 as shall be designated pursuant to written notice filed by the Successor Agency with the Trustee

Redemption Date (September 1)	Principal Amount
----------------------------------	---------------------

(maturity)

In lieu of such redemption, the Trustee may apply amounts in the Sinking Account to the purchase of 2015 Series C Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as may be directed in writing by the Successor Agency, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the 2015 Series C Term Bonds, as set forth in a Written Request of the Successor Agency. The par amount of any 2015 Series C Term Bonds so purchased by the Successor Agency in any twelve-month period immediately preceding any September 1 in the table above will be credited toward and will reduce the principal amount of 2015 Series C Term Bonds required to be redeemed on such September 1.

**Partial Redemption of Bonds.** If less than all Outstanding Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Bonds of such maturity date to be redeemed by lot. If Outstanding Bonds maturing by their terms on more than one date are to be redeemed at any one time, the Successor Agency shall select the maturities of Bonds to be so redeemed. For

purposes of such selection, all Bonds will be deemed to consist of separate \$5,000 portions, and such portions will be treated as separately redeemable Bonds.

***Effect of Redemption.*** If notice of redemption has been duly given as aforesaid and on the redemption date designated in such notice money for the payment of the redemption price of the Bonds called for redemption is held by the Trustee, then on the date so designated the Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Bonds shall cease to accrue, and the Holders of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

***Notice of Redemption.*** The Successor Agency is required to give the Trustee written notice of its intention to redeem Bonds at least 60 days prior to the date fixed for such redemption, unless such lesser number of days' notice shall be acceptable to the Trustee, such notice being for the convenience of the Trustee. Notice of redemption shall be sent by the Trustee, not less than twenty (20) nor more than sixty (60) days prior to the redemption date to the respective Holders of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption shall state the date of such notice, the redemption price, place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the redemption price thereof and in the case of a Bond to be redeemed in part only, the specified portion of the principal amount thereof to be redeemed, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

The Successor Agency shall have the right to rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not or will not be available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and neither the lack of available funds nor such cancellation shall constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of notice of redemption. The Trustee shall send notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

### **Limitation on Debt Other Than Refunding Obligations**

Under the Indenture, the Successor Agency agrees not to issue Parity Debt, except for Parity Debt constituting Refunding Bonds. The Successor Agency may issue Refunding Bonds on a parity with the Bonds and any Parity Debt if the documents authorizing the Refunding Bonds provide that: (i) interest is payable on March 1 and September 1 in each year of the term of such Refunding Bonds except the first twelve-month period, during which interest may be payable on either March 1 or September 1; (ii) the principal of such Refunding Bonds is payable only on September 1 in any year; and (iii) the final maturity of any Refunding Bonds does not exceed the final maturity of the Bonds being refunded. Annual debt service on the Refunding Bonds must be lower than annual debt service on the Bonds being refunded during every year the refunding bonds will be outstanding.

Under the Indenture, the Successor Agency also agrees not to issue any additional bonds, debt or other obligations secured by the Housing Set-Aside, except for the purpose of refunding all or a portion of the Housing Parity Bonds in accordance with the Redevelopment Law. Nothing contained in the

Indenture, however, limits the Successor Agency from incurring any indebtedness secured by the pledged Tax Revenues and wholly subordinate to the Bonds. See APPENDIX A – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES.”

### **THE DISSOLUTION ACT**

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Predecessor Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Predecessor Agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Predecessor Agency, with the same legal effect as if the bonds had been issued prior to effective date of AB X1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency’s Recognized Obligation Payment Schedules. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Recognized Obligation Payment Schedules” and APPENDIX A – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES – Definitions.”

The Dissolution Act further provides that bonds authorized thereunder to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized to be issued by the Successor Agency under the Dissolution Act, including the Bonds, are taxes allocated to the Successor Agency pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution.

Pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution and as provided in the Redevelopment Plan, taxes levied upon taxable property in the Merged Project Area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called “taxing agencies”) after the effective date of the ordinance approving the Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Merged Project Area, as applicable, are to be divided as follows:

- (a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Merged Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Merged Project Area, as applicable (each, a “base year valuation”), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and
- (b) To the Predecessor Agency/Successor Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and

when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within the Plan Limit following the Delivery Date, when collected will be paid into a special fund of the Successor Agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the Successor Agency to pay the debt service on indebtedness incurred by the Predecessor Agency or the Successor Agency to finance or refinance the redevelopment projects of the Predecessor Agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund. In addition, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above.

### **Proposed Changes to Dissolution Act**

On January 9, 2015, California Governor Brown released the proposed fiscal year 2015-16 State budget (the “2016 Proposed Budget”). In connection with the 2016 Proposed Budget, the Department of Finance (the “Department”) published proposed budget trailer bill language addressing the redevelopment agency dissolution process. As described in the Governor’s Budget Summary for the 2016 Proposed Budget, the proposed legislation, among other things, would do the following:

***Annual Recognized Obligation Payment Schedule.*** Commencing July 1, 2016, Recognized Obligation Payment Schedules will be prepared for the 12-month fiscal year instead of each six months. The first annual Recognized Obligation Payment Schedule will cover the period from July 1, 2016 through June 30, 2017, and will be due to the Department on February 1, 2016. A successor agency would be permitted to submit one amendment to an annual Recognized Obligation Payment Schedule that was previously approved by the Department no later than October 1 of the year in which such annual Recognized Obligation Payment Schedule was submitted to the Department if its oversight board finds that a revision to an annual Recognized Obligation Payment Schedule is necessary for the payment of approved enforceable obligations during the upcoming January 1 through June 30 component of such Recognized Obligation Payment Schedule cycle.

***Last and Final Recognized Obligation Payment Schedule.*** Beginning August 1, 2015 successor agencies may submit a Last and Final Recognized Obligation Payment Schedule. The Last and Final Recognized Obligation Payment Schedule process will be available only to successor agencies that are not parties to outstanding or unresolved litigation, the successor agency’s remaining debt is limited to administrative costs and enforceable obligations that have defined payment schedules and have been previously listed and approved for payment in an earlier Recognized Obligation Payment Schedule. If approved by the Department, the Last and Final Recognized Obligation Payment Schedule will be binding on all parties and the Successor Agency will no longer need to submit a Recognized Obligation Payment Schedule to the Department or the oversight board. The applicable county auditor-controller will remit the authorized funds to the successor agency in accordance with the approved Last and Final Recognized Obligation Payment Schedule until each remaining enforceable obligation has been fully paid.

***Redevelopment Plan Time and Fiscal Limits.*** The proposed legislation provides that solely for the purpose of paying bond debt service, redevelopment plan time limits and tax increment caps do not apply.

***Limits to Administrative Costs and Administrative Allowance.*** For fiscal years beginning July 1, 2016 the proposed legislation would limit successor agency's administrative allowance to 3.0% of the actual property tax distributed to the successor agency by the county auditor-controller in the preceding fiscal year for payment of approved enforceable obligations, minus the successor agency's administrative cost allowance and loan repayments made to the sponsoring jurisdiction during the preceding fiscal year. In addition to the limit on administrative allowance, the proposed legislation also limits the annual administrative cost to 50.0% of the total Redevelopment Property Tax Trust Fund distributed to the successor agency to pay enforceable obligations in the prior fiscal year.

### ***May Revision to the 2016 Proposed Budget***

On May 14, 2015, the California Governor Brown released the May Revision to the 2016 Proposed Budget (the "May Revision"). In connection with the May Revision, the Department of Finance published a revised draft of proposed budget trailer bill language. As described in the Governor's Budget Summary for the May Revision, in addition to changes to the Dissolution Law noted above, the revised legislation, among other things, would do the following:

***Findings of Completion.*** The May Revision allows successor agencies that enter into a written payment agreement with the Department of Finance to remit their unencumbered redevelopment agency cash assets to the county auditor-controller to receive a finding of completion.

***Stranded 2011 Bond Proceeds.*** For successor agencies with a finding of completion, the May Revision establishes a tiered process whereby they may expend a portion of stranded fiscal year 2011 bond proceeds. The unused portions of such bond proceeds are to be used to defease the outstanding bonds in accordance with current law.

***Highway Infrastructure Improvements.*** The May Revision allows agreements between the former redevelopment agencies and its sponsoring entity that relate to state highway infrastructure improvements to be an enforceable obligation of the successor agency.

***Litigation Expenses.*** The May Revision clarifies that a sponsoring entity can loan money to a successor agency for litigation expenses associated with challenging dissolution decisions and those loaned amounts may be repaid as an enforceable obligation if the litigation is successful.

The Successor Agency does not anticipate that the proposed amendments to the Dissolution Act will adversely affect the ability of the Successor Agency to pay debt service on the Bonds. However, the Successor Agency cannot guarantee that future changes in State law will not materially and adversely impact the Successor Agency's ability to repay the Bonds or repay the Bonds in a timely manner. See "RISK FACTORS – Changes in Law."

## **BOND INSURANCE**

### **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM" or "Bond Insurer") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on all or a portion of the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law..



## **Build America Mutual Assurance Company**

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27<sup>th</sup> Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.buildamerica.com](http://www.buildamerica.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at [www.standardandpoors.com](http://www.standardandpoors.com). The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

### *Capitalization of BAM*

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2015 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$466.5 million, \$22.2 million and \$444.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.buildamerica.com](http://www.buildamerica.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

*Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at [buildamerica.com/creditsights/](http://buildamerica.com/creditsights/).

**Obligor Disclosure Briefs.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Obligor Disclosure Brief for those bonds. These pre-sale Obligor Disclosure Briefs provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Obligor Disclosure Briefs will be updated and superseded by a final Obligor Disclosure Brief to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Obligor Disclosure Briefs are easily accessible on BAM's website at [buildamerica.com/obligor/](http://buildamerica.com/obligor/). BAM will produce an Obligor Disclosure Brief for all bonds insured by BAM, whether or not a pre-sale Obligor Disclosure Brief has been prepared for such bonds.

**Disclaimers.** The Obligor Disclosure Briefs and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Obligor Disclosure Briefs and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Obligor Disclosure Briefs and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise

**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**

**Tax Allocation Financing**

Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies receiving property taxes thereafter received only that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion of property taxes produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of redevelopment agency obligations. Successor agencies have no power to levy property taxes and must rely on the allocation of taxes as described above. See “THE DISSOLUTION ACT.”

**Pledge of Tax Revenues for Non-Housing Bonds**

The Non-Housing Bonds and all Non-Housing Parity Debt shall be secured by a first lien on and pledge of all of the Tax Revenues equal to Annual Debt Service on the Non-Housing Bonds and annual debt service on the Non-Housing Parity Debt. The Non-Housing Bonds are also secured by a first lien on

and security interest in all moneys in the Special Fund held by the Trustee pursuant to the Non-Housing Indenture and in the funds or accounts so specified and provided for in the Non-Housing Indenture. An amount of Tax Revenues equal to Annual Debt Service on the Non-Housing Bonds for each Bond Year plus the amount, if any, necessary to restore the balance in the Non-Housing Reserve Account to the Reserve Requirement shall, so long as any Non-Housing Bonds shall be outstanding under the Non-Housing Indenture, be transferred when and as received by the Successor Agency to the Trustee and deposited in the Special Fund for the Non-Housing Bonds. The Non-Housing Bonds are further secured by a subordinate pledge of Prior Housing Deposit not required to pay Housing Bonds (as defined below).

“Tax Revenues” means all of the Gross Tax Revenues remaining after (i) provision has been made for the payment of the Housing Set-Aside, (ii) payment, or provision for the payment, of amounts required to be paid pursuant to the Pass-Through Agreements (including payments under the School District Pass-Through Agreement as modified by the School District Cooperative Agreement), (iii) payment, or provision for the payment made to the County of San Bernardino of the SB 2557 Fee and the County Collection Fee, (iv) payment or provision for the payment of amounts reserved to taxing entities under Section 33607.5 or 33607.7 of the Redevelopment Law (including such payments to the School District made pursuant to the School District Cooperative Agreement), or any other payments under other provisions of the Redevelopment Law that have not been subordinated to debt service payments on the Bonds. “Gross Tax Revenues” means taxes for each Bond Year (including all payments and reimbursements, if any, specifically attributable to *ad valorem* taxes lost by reason of tax exemptions and tax rate limitations) previously eligible for allocation to the Successor Agency pursuant to the Redevelopment Law as provided in the Redevelopment Plan.

Tax Revenues additionally includes monies deposited from time to time in the Redevelopment Property Tax Trust Fund, as provided in (a) paragraph (2) of subdivision (a) of Section 34183 of the Law, and (b) paragraph (1) of subdivision (a) of 34183 of the Law, excluding amounts that have not been subordinated to debt service payments on the Bonds pursuant to Section 34177.5(c). If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution and as limited or otherwise provided for in the Non-Housing Indenture.

Pursuant to Sections 33334.2 and 33334.3 of the Redevelopment Law, redevelopment agencies were required to set aside not less than twenty percent of all tax increment revenues allocated to redevelopment agencies from redevelopment project areas adopted after December 31, 1976, in a low- and moderate-income housing fund to be expended for authorized housing purposes. Amounts on deposit in the low- and moderate-income housing fund could be applied to pay debt service on bonds, loans, or advances of redevelopment agencies to finance low- and moderate-income housing projects. Pursuant to the Dissolution Law, tax revenues are no longer required to be deposited in the Housing Fund of the Predecessor Agency previously established pursuant to Section 33334.3 of the Redevelopment Law (the “Prior Housing Deposit”). Accordingly, Tax Revenues shall be reduced by the amount not greater than the portion of the Prior Housing Deposit required to pay Housing Obligations. “Housing Obligations” mean all moneys required pursuant to the Housing Indentures, or such similar provision of any document for annual debt service on Housing Bonds.

“Housing Bonds” means the (i) 2015 Series C Bonds, (ii) the 2008 Series B Bonds, and (iii) any bonds issued to refund such 2015 Series C Bonds, 2008 Series B Bonds, or other refunding bonds thereof, similarly secured by amounts which, prior to the adoption of the Law, were required to be deposited into the redevelopment agency’s low and moderate income housing fund pursuant to Sections 33334.2, 33334.3, and 33334.6 of the Redevelopment Law.

## **Pledge of Housing Set-Aside for 2015 Series C Bonds**

The 2015 Series C Bonds and all Housing Parity Debt shall be secured by a first lien on and pledge of all of the Housing Set-Aside equal to Annual Debt Service on the 2015 Series C Bonds and annual debt service required for Housing Parity Debt, as provided in the respective Housing Parity Debt document. “Housing Set-Aside” means that portion of Gross Tax Revenues previously required under Section 33334.2 or 33334.6 of the Redevelopment Law to be deposited in the Housing Fund. “Housing Fund” means the Low and Moderate Income Housing Fund, established and held by the Redevelopment Agency pursuant to Section 33334.3 of the Redevelopment Law prior to the Dissolution Act. The 2015 Series C Bonds are also secured by a first lien on and security interest in all moneys in the Special Fund held by the Trustee pursuant to the Housing Indenture and in the funds or accounts so specified and provided for in the Housing Indenture. An amount of Housing Set-Aside equal to Annual Debt Service on the 2015 Series C Bonds for each Bond Year plus the amount, if any, necessary to restore the balance in the Housing Reserve Account to the Reserve Requirement shall, so long as any 2015 Series C Bonds shall be outstanding under the Housing Indenture, be transferred when and as received by the Successor Agency to the Trustee and deposited in the Special Fund for the 2015 Series C Bonds. The 2015 Series C Bonds and Housing Parity Debt are further secured by a subordinate pledge on Tax Revenues not required to pay Non-Housing Debt Service.

“Housing Parity Debt” means the Housing Parity Bonds, and any bonds, notes, interim certificates, debentures or other obligations or evidences of indebtedness issued by the Successor Agency payable from Housing Set-Aside on a parity with the 2015 Series C Bonds and Housing Parity Bonds as permitted by the Housing Indenture.

“Non-Housing Bond Debt Service” means (i) debt service or other pledged payments on the outstanding Non-Housing Bonds and Non-Housing Parity Bonds, (ii) debt service or other pledged payments on any parity debt or subordinate debt issued pursuant to the documents pursuant to which the debt referred to in subsection (i) above was issued, and (iii) debt service or other pledged obligations with respect to any bonds issued to refund Non-Housing Bonds, or refunding bonds thereof or similarly secured bonds or obligations which prior to the Dissolution Law were secured by Tax Revenues excluding amounts of Gross Tax Revenues required to be deposited in the Housing Fund, including bonds referred to in subsections (i) and (ii) above.

## **Recognized Obligation Payment Schedules**

No fewer than 90 days prior to each January 2 and June 1, or at such other time as may be required by law, the Dissolution Act requires successor agencies to prepare, and submit to the successor agency’s oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule (the “Recognized Obligation Payment Schedule”) pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. As defined in the Dissolution Act, “enforceable obligation” includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the Predecessor Agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and amounts borrowed from the low and moderate income housing fund.

Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a Recognized Obligation Payment Schedule are the following: (i) the Low and Moderate Income Housing Fund, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the

Redevelopment Property Tax Trust Fund (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or (vi) other revenue sources (including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the Predecessor Agency, as approved by the Oversight Board). A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following six-month period.

The Dissolution Act provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule. Accordingly, although all of the debt service payments on the Bonds have been approved by the State Department of Finance, such debt service payments must appear on the applicable Recognized Obligation Payment Schedule.

The Recognized Obligation Payment Schedule must be submitted by the Successor Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance, and the State Controller by 90 days before the date of the next January 2 or June 1 property tax distribution, or at such other time as may be required by law. If the Successor Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by the applicable deadline, the City will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the State Department of Finance. Additionally, the Successor Agency's administrative cost allowance is reduced by 25% if the Successor Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the Recognized Obligation Payment Schedule for the subsequent six-month period. The Successor Agency timely submitted to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance, and the State Controller its Oversight Board-approved Recognized Obligation Payment Schedule by September 30, 2014, with respect to the Recognized Obligation Payment Schedule for the six-month period of January 1, 2015 through June 30, 2015. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications thereof on the Bonds, see "RISK FACTORS – Recognized Obligation Payment Schedules."

The Dissolution Act requires the State Department of Finance to make a determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than 45 days after the Recognized Obligation Payment Schedule is submitted. Within five business days of the determination by the State Department of Finance, the Successor Agency may request additional review by the department and an opportunity to meet and confer on disputed items, if any. The State Department of Finance will notify the Successor Agency and the County Auditor-Controller as to the outcome of its review at least 15 days before the January 2 or June 1 date of property tax distribution, as applicable. Additionally, the County Auditor-Controller may review a submitted Recognized Obligation Payment Schedule and object to the inclusion of any items that are not demonstrated to be enforceable obligations and may object to the funding source proposed for any items, provided that the County Auditor-Controller must provide notice of any such objections to the Successor Agency, the Oversight Board, and the State Department of Finance at least 60 days prior to the January 2 or June 1 date of property tax distribution, as applicable.

The Successor Agency will covenant in the Indentures to take all actions required under the Dissolution Act to include scheduled debt service on the Bonds as well as any amount required under the Indenture to replenish the Reserve Funds, in Recognized Obligation Payment Schedules. Without limiting the generality of the foregoing, the Successor Agency will covenant and agree to not less than 90-

days prior to each January 2 and June 1 (or such other dates as are specified in the Health and Safety Code or other applicable law), prepare and submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule, pursuant to which enforceable obligations of the Successor Agency are listed, including with respect to the Bonds and any outstanding Parity Debt. The Successor Agency shall take all actions necessary or advisable under the Dissolution Act to include on each applicable Recognized Obligation Payment Schedule all payments required under the Indentures. The Recognized Obligation Payment Schedule submitted 90-days prior to each January 2 shall include the full amount of pledged Tax Revenues required to be deposited pursuant to the Indentures. To fulfil the obligation described in the previous sentence, the Successor Agency shall, to the extent necessary, include the amounts to be held by the Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Law, that are necessary to provide for the deposits required under the Indenture. See “THE INDENTURES – Covenants of the Agency.”

In connection with the 2016 Proposed Budget, the Department proposed legislation that would allow Recognized Obligation Payment Schedules to be prepared for a 12-month fiscal year period instead of each six-month period, commencing July 1, 2016. See “DISSOLUTION ACT – Proposed Changes to Dissolution Act.”

### **Flow of Funds Under the Indentures**

Taxes levied on property within the Merged Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the Merged Project Area will be deposited in the Redevelopment Property Tax Trust Fund. Under the Non-Housing Indenture, the Successor Agency must remit, from time to time, to the Trustee for deposit in the Special Fund the amount of pledged Tax Revenues required to pay debt service on the Non-Housing Bonds. Under the Housing Indenture, the Successor Agency must remit, from time to time, to the Trustee for deposit in the Special Fund the amount of pledged Housing Set-Aside required to pay debt service on the 2015 Series C Bonds. Under each Indenture, the Special Fund is pledged to the applicable series of Bonds. In addition, Section 33177.5(g) of the Dissolution Act provides that the Bonds shall also “be secured by a pledge of, and lien on, and shall be repaid from monies deposited from time to time in the Redevelopment Property Tax Trust Fund.”

The flow of funds described below applies to each of the Non-Housing Indenture and the Housing Indenture. All moneys remitted to the Trustee from the Successor Agency will be deposited in the applicable Special Fund created under the applicable Indenture. All moneys in such Special Fund held by the Trustee will be set aside in the following respective accounts within the applicable Special Fund and applied in the following order of priority:

- (a) Interest Account;
- (b) Principal Account; and
- (c) Reserve Account.

All money in each of such accounts will be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes and in the priority authorized in the applicable Indenture.

(1) Interest Account. At least five (5) business days prior to each Interest Payment Date, the Trustee will set aside from the applicable Special Fund and deposit in the applicable Interest Account an amount of money that, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds of the applicable series on the next succeeding Interest Payment Date. No deposit need be made into the applicable Interest Account if the

amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds of the applicable series on the next succeeding Interest Payment Date. All moneys in an Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Outstanding Bonds of the applicable series as it shall become due and payable (including accrued interest on any such Outstanding Bonds purchased or redeemed prior to maturity).

(2) Principal Account. At least five (5) business days prior to September 1 of each year, commencing five (5) business days prior to September 1, 2016 the Trustee will set aside from the applicable Special Fund and deposit in the applicable Principal Account an amount of money that, together with any money contained therein, is equal to the aggregate amount of the principal of all Outstanding Bonds of the applicable series becoming due and payable on the next succeeding principal payment date. If there shall be insufficient money in such Special Fund to make in full all such principal payments required to be made pursuant to the applicable Indenture at any one time, then the available money shall be applied pro rata to the making of such principal payments in the proportion which all such principal payments bear to each other.

No deposit need be made into a Principal Account if the amount contained therein is at least equal to the aggregate amount of the payment of principal of all Outstanding Bonds of the applicable series to be paid on the next succeeding principal payment date.

All money in a Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Outstanding Bonds of the applicable series as it shall become due and payable.

(3) Reserve Account. On or before September 1 of each year, commencing September 1, 2016, the Trustee will set aside from the applicable Special Fund and deposit in applicable Reserve Account the amount of money, if any, that is necessary to restore the balance in such Reserve Account to the full amount of the Reserve Requirement based upon the market value of the cash and securities held in such Reserve Account on or before such September 1. No deposit need be made in a Reserve Account so long as there shall be on deposit therein a value not less than the Reserve Requirement. All money in a Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of replenishing the applicable Interest Account and the applicable Principal Account, in such order, in the event of any deficiency at any time in any of such accounts, or for the purpose of paying the interest on or principal of or redemption premiums and price upon mandatory redemption, if any, on the Bonds in the event that no other money of the Successor Agency is lawfully available therefor, or for the retirement of all Bonds then Outstanding. For so long as the Successor Agency is not in default under the applicable Indenture, any amount in a Reserve Account in excess of the amount required by the applicable Indenture to be on deposit therein shall, unless otherwise directed in a Written Request of the Successor Agency, be withdrawn from such Reserve Account by the Trustee and transferred to the applicable Special Fund on or before March 1 or September 1 of each year.

Notwithstanding any provision of an Indenture to the contrary, all or any portion of the Reserve Requirement for the Bonds of any series may be satisfied by the provision of a policy of insurance, a surety bond, a letter of credit or other comparable credit facility (collectively referred to herein as a "Credit Facility"), or a combination thereof, which, together with moneys on deposit in a Reserve Account, provide an aggregate amount equal to the Reserve Requirement; provided, that the provider of any such policy of insurance, surety bond, letter of credit or other comparable credit facility must be rated in one of the two highest rating categories by Moody's Investors Service or S&P, without regard to modifier, at the time of delivery of such credit facility. Upon deposit of a surety bond, a letter of credit or other comparable credit facility, or a combination thereof, the Trustee shall transfer any excess amounts then on deposit in the applicable Reserve Account into a segregated account of the applicable Special Fund, which monies shall be applied at the written direction of the Successor Agency to the redemption of

2015 Series A Bonds on the earliest succeeding date on which such redemption is permitted hereby, and pending such application shall be held either not invested in investment property (as defined in section 148(b) of the Code), or invested in such property to produce a yield that is not in excess of the yield on the 2015 Series A Bonds; provided, however, that the Successor Agency may by written direction to the Trustee cause an alternative use of such amounts if the Successor Agency shall first have obtained a written opinion of nationally recognized bond counsel substantially to the effect that such alternative use will not adversely affect the exclusion pursuant to section 103 of the Code of interest on the 2015 Series A Bonds from the gross income of the owners thereof for federal income tax purposes.

(4) On or after September 2 of each year, commencing September 2, 2016, after transfer of moneys to the applicable Reserve Account necessary to restore the balance in such Reserve Account to the Reserve Requirement, all moneys in the applicable Special Fund and the accounts therein shall, upon the Written Request of the Successor Agency, be transferred to the Successor Agency to be used by the Successor Agency for any lawful purposes. Notwithstanding the foregoing, any moneys available for transfer to the Successor Agency shall, upon the Written Request of the Successor Agency, be used by the Trustee to purchase Outstanding Bonds of the applicable series at such prices as shall be specified in writing by the Successor Agency.

### **Reserve Accounts**

To secure the payment of the principal of and interest on the Non-Housing Bonds, a Reserve Account for the Non-Housing Bonds is established in the Non-Housing Indenture, in an amount equal to the initial Reserve Requirement. To secure the payment of the principal of and interest on the 2015 Series C Bonds, a Reserve Account for the 2015 Series C Bonds is established in the Housing Indenture, in an amount equal to the initial Reserve Requirement. On the Closing Date the Reserve Requirement equals \$\_\_\_\_\_ for the Non-Housing Bonds and \$\_\_\_\_\_ for the 2015 Series C Bonds. At closing, the Successor Agency will deposit into the Reserve Account the Reserve Policy to be issued by the Bond Insurer to satisfy the Reserve Requirement. "Reserve Requirement" means, under each Indenture, the least of (i) 10% of the original proceeds (within the meaning of section 148 of the Code) of the Bonds under such Indenture as of the Closing Date, (ii) 125% of the average Annual Debt Service as of the Closing Date with respect to the Bonds, or (iii) the Maximum Annual Debt Service with respect to the Bonds, so long as on the Closing Date, the 2015 Series A Bonds contribute no more than a pro-rata share of the Reserve Requirement.

### **Pass-Through Payments**

The Redevelopment Law authorized redevelopment agencies to enter into an agreement to pay tax increment revenues to any taxing agency that has territory located within a redevelopment project area in an amount which in the agency's determination is appropriate to alleviate any financial burden or detriment caused by a redevelopment project. These agreements normally provide for a pass-through of tax increment revenue directed to the affected taxing agency, and, therefore are commonly referred to as pass-through agreements or tax sharing agreements ("Pass-Through Agreement"). The Predecessor Agency entered into a number of Pass-Through Agreements with respect to tax revenues relating to the Merged Project Area. Such Pass-Through Agreements may affect the ability of the Successor Agency to make payments on the Bonds. See "APPENDIX H – FISCAL CONSULTANT'S REPORT" for summaries of the Successor Agency's pass-through agreements and the effect of these pass-through agreements on projected Tax Revenues available to pay debt service on the Bonds.

Pass-Through Agreements with the Rialto Unified School District with respect to the Central Business District Project, the San Bernardino Community College District with respect to the Agua Mansa and Central Business District Projects, and the San Bernardino County Superintendent of Schools with respect to the Agua Mansa and Central Business District Projects, are by their respective terms,



subordinate to the payment of debt service on any bonded indebtedness of the Successor Agency, including the Bonds. See “APPENDIX H – FISCAL CONSULTANT’S REPORT.”

The Dissolution Act establishes procedures whereby the Successor Agency may make Statutory Pass-Through Payments subordinate to the payment of debt service on the Bonds. **The Successor Agency has satisfied the requirements of the Dissolution Act such that all Statutory Pass-Through Payments are subordinate to the payment of debt service on the Bonds.** The Successor Agency covenants in the Indenture to not approve, execute or deliver any agreement, or approve, execute or deliver or otherwise agree to any amendment, modification or supplement to any of the Pass-Through Agreements or any other tax sharing agreements, which will reduce, or would have the effect of reducing, the pledged Tax Revenues.

### **San Bernardino County Auditor-Controller**

The Dissolution Act assigns county auditors numerous responsibilities, including the responsibility to deposit tax increment revenues attributable to each successor agency into a Redevelopment Property Tax Trust Fund held in the county treasury in the name of each successor agency. Pursuant to the Dissolution Act, county auditors disburse funds from each Redevelopment Property Tax Trust Fund twice annually, on January 2 and June 1. Such amounts include payments to affected taxing entities, payments that are required to be paid from tax increment as approved on a Recognized Obligation Payment Schedule, and various administrative fees and allowances. Remaining Redevelopment Property Tax Trust Fund balances are distributed to affected taxing entities under a prescribed method that accounts for pass-through payments. County auditors are also responsible for distributing other moneys received from successor agencies (from sale of assets etc.) to the affected taxing entities.

## **THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIALTO**

### **General**

Pursuant to Ordinance No. 733, adopted by the City Council and Part 1.7 (commencing with Section 34100) of the Health and Safety Code of the State, the City Council duly established the Predecessor Agency. On June 29, 2011, AB X1 26 was enacted as Chapter 5, Statutes of 2011, together with a companion bill, AB X1 27. AB X1 26 provided for the dissolution of all redevelopment agencies, but also permitted redevelopment agencies to avoid such dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al., v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. 2011), challenging the constitutionality of AB X1 26 and AB X1 27. In its December 29, 2011 decision, the California Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the California Supreme Court in the California Redevelopment Association case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Predecessor Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

On September 27, 2011 pursuant to Resolution No. 6057 and Section 34173 of the Dissolution Act, the City elected to serve as the Successor Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Predecessor Agency will not be transferred to the City nor will the assets of the Predecessor Agency become assets of the City.

## Members and Officers

The Successor Agency is governed by the City Council of the City.

<u>Name and Office</u>	<u>Expiration of Term</u>
Deborah Robertson, Mayor	November 2016
Joe Baca Jr, Mayor Pro Tem	November 2018
Shawn O'Connell, Council Member	November 2016
Edward M. Palmer, Council Member	November 2016
Ed Scott, Council Member	November 2018

## Successor Agency Powers

Pursuant to the Dissolution Act, the Successor Agency is a separate public body from the City and succeeds to the organizational status of the Predecessor Agency but without any legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation. The Successor Agency is tasked with expeditiously winding down the affairs of the Predecessor Agency, pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, many Successor Agency actions are subject to approval by the Oversight Board, as well as review by the State Department of Finance. California has strict laws regarding public meetings (known as the Ralph M. Brown Act) which generally make all Successor Agency and Oversight Board meetings open to the public in similar manner as City Council meetings.

Previously, Section 33675 of the Redevelopment Law required the Predecessor Agency to file not later than the first day of October of each year with the County Auditor-Controller a statement of indebtedness certified by the chief fiscal officer of the Predecessor Agency for each redevelopment plan which provides for the allocation of taxes (i.e., the Redevelopment Plans). The statement of indebtedness was required to contain the date on which the bonds were delivered, the principal amount, term, purposes and interest rate of the bonds and the outstanding balance and amount due on the bonds. Similar information was required to be given for each loan, advance or indebtedness that the Predecessor Agency had incurred or entered into which is payable from tax increment. Section 33675 also provided that payments of tax increment revenues from the County Auditor-Controller to the Predecessor Agency could not exceed the amounts shown on the Predecessor Agency's statement of indebtedness. The Dissolution Act eliminated this requirement and provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, the Recognized Obligation Payment Schedule supersedes the statement of indebtedness previously required under the Redevelopment Law, and commencing from such date, the statement of indebtedness will no longer be prepared nor have any effect under the Redevelopment Law.

## **Plan Limitations**

In 1993, Assembly Bill 1290 (“AB 1290”) was passed by the California Legislature and signed into law by the Governor amending various provisions of the Redevelopment Law. Among other amendments to the Redevelopment Law, AB 1290 imposed time limits on existing redevelopment plans for the incurrence of indebtedness, the duration of the plan and the collection of the tax increment revenues. The Predecessor Agency adopted Ordinance No. 1332 to incorporate time limits into the Merged Project Area which brought the Redevelopment Plans into full compliance with AB 1290.

The California Legislature enacted SB 211, Chapter 741, Statutes 2001, effective January 1, 2002 (“SB 211”). SB 211 provides, among other things, that the limitation on incurring indebtedness contained in a redevelopment plan adopted prior to January 1, 1994, may be deleted by ordinance of the legislative body. However, such deletion will trigger statutory tax sharing with respect to the Merged Project Area with those taxing entities that do not have tax sharing agreements. Tax sharing will be calculated based on the increase in assessed valuation after the year in which the limitation would otherwise have become effective.

SB 211 also authorizes the amendment of a redevelopment plan adopted prior to January 1, 1994, in order to extend for not more than 10 years the effectiveness of the redevelopment plan and the time to receive tax increment revenues and to pay indebtedness.

Any such extension must meet certain specified requirements, including the requirement that the redevelopment agency establish the existence of both physical and economic blight within a specified geographical area of the redevelopment project and that any additional tax increment revenues received by the redevelopment agency because of the extension be used solely within the designated blighted area. SB 211 authorizes any affected taxing entity, the State Department of Finance, or the Department of Housing and Community Development to request the Attorney General to participate in the proceedings to effect such extensions. It also authorized the Attorney General to bring a civil action to challenge the validity of the proposed extensions.

SB 211 also prescribes additional requirements that a redevelopment agency would have to meet upon extending the time limit on the effectiveness of a redevelopment plan, including requiring an increased percentage of new and substantially rehabilitated dwelling units to be available at affordable housing cost to persons and families of low or moderate income prior to the termination of the effectiveness of the plan.

Section 33333.4 of the Redevelopment Law requires redevelopment plans adopted on or after October 1, 1976 and prior to January 1, 1994 to contain, among other things, a limitation on the number of dollars in taxes that may be divided and allocated to the redevelopment agency pursuant to the plan.

As part of the State’s 2003-04 budget legislation, Senate Bills 1045 (“SB 1045”) (Chapter 260, Statutes of 2003) required redevelopment agencies statewide to contribute \$135 million to local County ERAF which reduced the amount of State funding for schools. This transfer of funds was limited to fiscal year 2003-04 only. Under the Redevelopment Law as amended by SB 1045, the redevelopment agencies were authorized to use a simplified methodology to amend the individual redevelopment plans to extend by one year the effectiveness of the plan and the time during which the agencies could repay debt with tax increment revenues. Pursuant to SB 1045 the Successor Agency extended the term of redevelopment plan effectiveness of all component project areas by one year with the adoption of Ordinance No. 1348 on April 19, 2004. This extension in turn extends the terms of the redevelopment plan’s effectiveness and the period within which the project areas may repay indebtedness by one year.

In connection with the requirement in the 2004-05 Budget that a portion of redevelopment agency tax increment revenues be shifted to the ERAF, the State Legislature enacted SB 1096 which permits redevelopment agencies making the ERAF payments mandated by the 2004-05 Budget to extend the effectiveness of certain classes of redevelopment plans by one year for each year in which the ERAF payments are made (for a total possible extension of two years). The portion of the Merged Project Area composed of the former Industrial Redevelopment Project Area met the criteria for this extension, and the City adopted its Ordinance No. 1370 on April 5, 2005 extending the plan limit of the portion of the Merged Project Area composed of the former Industrial Redevelopment Project Area by two years.

The redevelopment plan limits currently governing the various portions of the Merged Project Area redevelopment plans are summarized in the table below:

**Merged Project Area Plan Limits**

<u>Project Area</u>	<u>Termination of Project Activities</u>	<u>Last Date to Repay Debt with Tax Revenue</u>	<u>Tax Increment Limit</u>	<u>Limit on Outstanding Bond Debt</u>
Industrial	August 16, 2022	August 16, 2032	\$300 million	\$100 million
Agua Mansa	July 19, 2029	July 19, 2039	\$270 million	\$90 million
Gateway	January 16, 2027	January 16, 2037	\$90 million	\$30 million
Central Business District	July 5, 2031	July 5, 2041	\$289 million	\$100 million
Added Territory	July 2, 2033	July 2, 2048	N/A	\$165 million

The limitations imposed by the Redevelopment Plan and/or AB 1290 are set forth in APPENDIX H – “FISCAL CONSULTANT’S REPORT.”

Within the former Industrial Project Area, the Successor Agency has received a cumulative total of \$85,773,287 in tax increment revenue through 2013-14. Based on the projected tax increment revenues to be received by the Successor Agency, the tax increment limit of \$300 million will not be exceeded within the life of the former Industrial Project Area unless growth from new development and/or resale of property is in excess of 6.4% per year. The last date to repay debt secured by the Industrial Project Area is August 16, 2032.

Within the former Agua Mansa Project Area the Successor Agency has received a cumulative total of \$75,577,507 in tax increment revenue through 2013-14. Based on the projected tax increment revenues to be received by the Successor Agency, the tax increment limit of \$270 million will be reached during fiscal year 2037-38. If the growth in tax increment revenues exceeds the projected levels the former Agua Mansa Project Area may reach its tax increment limit earlier. Based on the projected tax increment revenues to be received by the Successor Agency, the tax increment limit will not be exceeded prior to the fiscal year 2034-35, unless growth from new development and/or resale of property is in excess of 3.6% per year.

Within the former Gateway Project Area the Successor Agency has received a cumulative total of \$13,189,386 through 2013-14. Based on the projected tax increment revenues to be received by the Successor Agency, the tax increment limit of \$90 million will not be exceeded within the life of the former Gateway Project Area unless growth from new development and/or resale of property is in excess of 11.5% per year. Based on the projected tax increment revenues to be received by the Successor Agency, the tax increment limit will not be exceeded prior to the fiscal year 2034-35, unless growth from new development and/or resale of property is in excess of 14% per year.

Within the former Central Business District Project Area, the Successor Agency has received a cumulative total of \$15,479,002 through 2013-14. Based on the projected tax increment revenues to be received by the Successor Agency, the tax increment limit of \$289 million will not be exceeded within the

life of the former Central Business District Project Area unless growth from new development and/or resale of property is in excess of 11.6% per year. Based on the projected tax increment revenues to be received by the Successor Agency, the tax increment limit will not be exceeded prior to fiscal year 2034-35, unless growth from new development and/or resale of property is in excess of 18.2% per year.

The Added Territory (as defined below) does not have a tax increment limit, however, through 2013-14 it has been allocated a total of \$87,849,991 in tax increment.

In connection with the 2016 Proposed Budget, the Department proposed legislation that would, eliminate redevelopment plan time limits and tax increment caps solely for the purpose of paying bond debt service. Under this proposed change, the Successor Agency would continue to be allocated revenue from the former project area through the RPTTF until such time as all bond debt service is paid. The projections included herein and in APPENDIX H – “FISCAL CONSULTANT’S REPORT” continue to assume enforcement of the tax increment and time limits of the redevelopment plans. See “DISSOLUTION ACT – Proposed Changes to Dissolution Act” and APPENDIX H – “FISCAL CONSULTANT’S REPORT.”

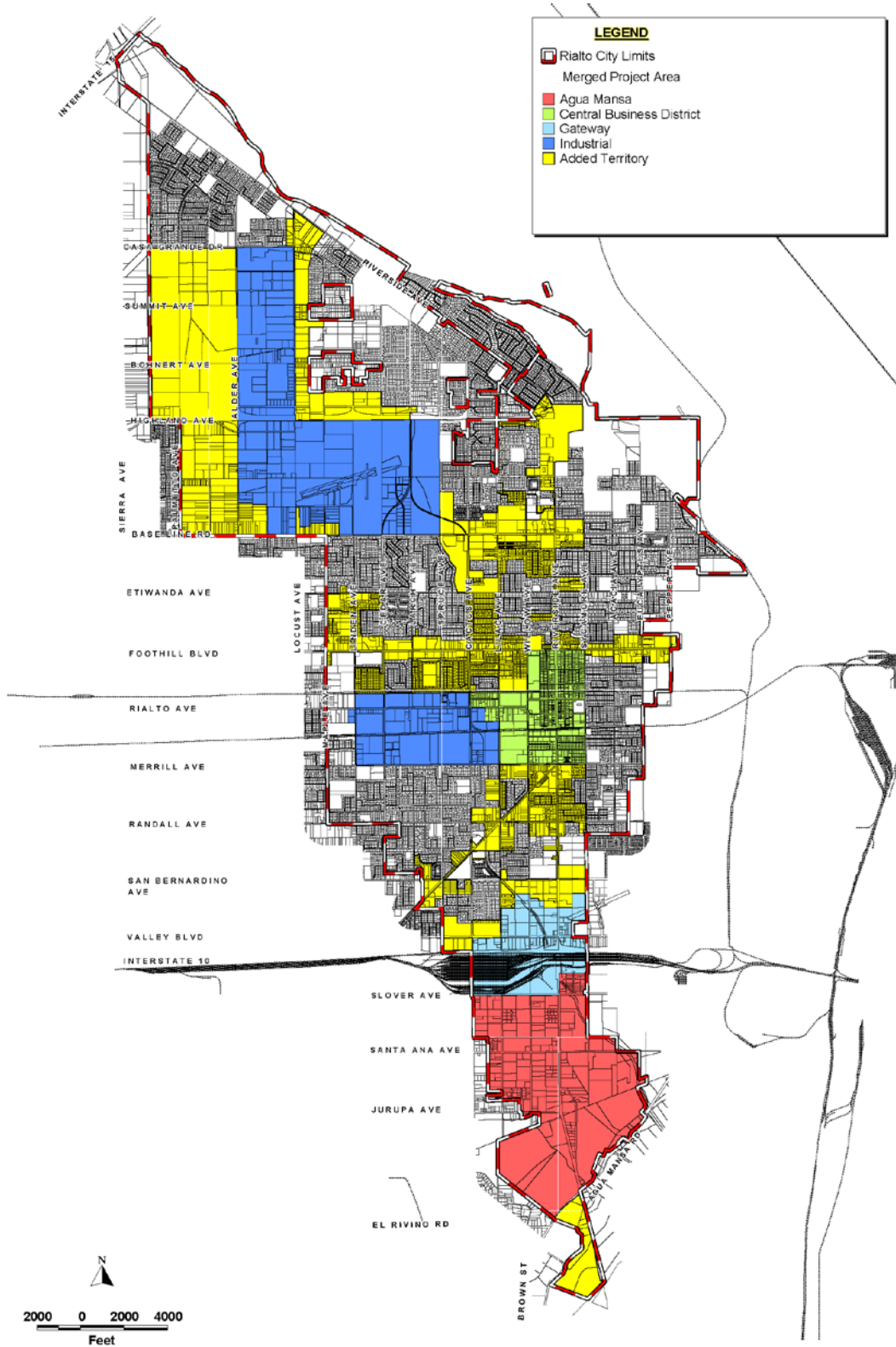
### **Audited Financial Statements**

Prior to the enactment of the Dissolution Act, the Predecessor Agency retained independent auditors to prepare a report of the Predecessor Agency’s audited financial statements for each fiscal year ended June 30, separate and apart from the City’s audited financial statements.

Section 34177(n) of Dissolution Act requires that a post-audit of the financial transactions and records of the Successor Agency be made at least annually by a certified public accountant. The State Department of Finance has stated that successor agency activities may be reported as a trust fund that is included in the financial statements of the sponsoring government. For the reporting related to fiscal year ending June 30, 2014, the City decided not to have separate financial statements prepared for the Successor Agency. Instead, the financial transactions for the Successor Agency were reported as part of the City’s audited financial statements (the “City CAFR”) which were prepared by White Nelson Diehl Evans LLP (the “Auditors”). An excerpt of the City CAFR that includes the Successor Agency’s private-purpose trust fund is attached as Appendix E to this Official Statement. The Successor Agency has not requested nor obtained permission from the Auditors to include portions of the City CAFR in this Official Statement. The Auditors have not performed any post-audit review of the financial condition or operation of the Successor Agency for purposes of this Official Statement.

Under the Dissolution Act the Successor Agency is a separate legal entity from the City. The assets and liabilities of the Successor Agency are not assets or liabilities of the City. The City CAFR is not incorporated herein by reference. The City included the financial transactions of the Successor Agency as part of its audited financial statements for fiscal year ended June 30, 2014. As of the date of this Official Statement, the City plans to include future financial transactions of the Successor Agency as part of the City’s audited financial statements.

# THE MERGED PROJECT AREA



## General Description

The Merged Project Area consists of the merged Agua Mansa, Central Business District, Gateway, and Industrial Project Areas (the “Agua Mansa Project Area,” “Central Business District Project Area,” “Gateway Project Area” and “Industrial Project Area,” respectively.) On July 2, 2002 the City Council of the City of Rialto adopted Ordinance No. 1333 merging the four subject project areas into one, while also adding 3,436 acres of additional territory (the “Added Territory”) to the project area.

The Merged Project Area consists of a total of 7,535 acres of commercial, industrial, and residential properties as follows:

<u>Merged Project Area Component</u>	<u>Acres</u>
Former Agua Mansa Project Area	1,209
Former Central Business District Project Area	445
Former Gateway Project Area	428
Former Industrial Project Area	2,017
Added Territory	<u>3,436</u>
Total	7,535

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Source: Rialto Redevelopment Agency.

The four former project areas were merged to accomplish the following: (1) add new territory to the Merged Project Area, (2) to consolidate all of the redevelopment plans into one document, and (3) to modify various financial and time limits incorporated in the original plans.

### Agua Mansa Project Area

The former Agua Mansa Project Area was adopted on July 19, 1988 by Ordinance No. 1037 and consisted of a single area located south of Interstate Highway 10 and totaling 1,209 acres. This portion of the Merged Project Area is more particularly located north of Agua Mansa Road, east of Cactus Avenue, south of Interstate Highway 10 and west of the City limits. The assessed value of this portion of the Merged Project Area is mainly in industrial use (59.53%) and unsecured value (30.20%). There are 89 vacant parcels within the former Agua Mansa Project Area. The former Agua Mansa Project Area is presently zoned for medium and heavy industrial use with development standards established under the City’s Agua Mansa Industrial Corridor Specific Plan. Although some residential dwellings are located within the Redevelopment Project, such dwellings are legal nonconforming uses under the applicable development standards of the City.

The former Agua Mansa Project Area is presently dominated by distribution facilities and businesses that support the movement of goods to markets. Some of the major existing users include Home Depot, FedEx Ground, Unilever, and Angeles Block. There also are numerous trucking, fueling and repair related facilities in the former Agua Mansa Project Area serving the distribution community. A mixture of manufacturing companies that produce a wide variety of consumer goods are also located throughout the project area, along with a growing contingent of consumer retail and service establishments such as restaurants and gasoline stations.

A portion of the former Agua Mansa Project Area along Riverside Avenue is impacted by the presumed presence of the Delhi Sands Fly. Approximately 41 acres within the former Agua Mansa Project Area has been dedicated for preservation purposes and another 133 acres has been identified as suitable or restorable habitat. Development applications are currently reviewed on a case-by-case basis if the proposed project is located upon the Delhi Sands that provide habitat for the Delhi Sands Fly. The

City has engaged an environmental consultant and has prepared a citywide Habitat Conservation Plan in an attempt to eliminate the case-by-case negotiation process that has deterred development due to its uncertainty. The Habitat Conservation Plan is under review by the Fish and Wildlife Service. See “RISK FACTORS – Delhi Sands Flower-Loving Fly.”

### **Central Business District Project Area**

The former Central Business District Project Area was adopted on June 5, 1990 by Ordinance No. 1101 and consists of a single area located on both sides of Riverside Avenue and totaling 445 acres. This portion of the Merged Project Area is more particularly located north of Merrill Avenue, east of Cactus Avenue, south of Foothill Boulevard and west of Sycamore Avenue. This portion of the Merged Project Area contains the original downtown area of the City and consists substantially of residential (55.56%) and commercial uses (23.30%) and contains a large amount of unsecured value (10.05%). There are 95 vacant parcels within Central Business District Project Area. The former Central Business District Project Area is presently zoned for commercial, residential and medium industrial land uses in accordance with the City’s Central Business District Specific Plan. The former Central Business District Project Area encompasses the civic institutions in Rialto, including Rialto City Hall, the Post Office, and the Metrolink rail station.

The former Central Business District Project Area (“CBD”) is a predominantly developed project area with a small number of infill parcels remaining to be developed. The CBD has a well-defined downtown area.

### **Gateway Project Area**

The former Gateway Project Area consists of 428 acres and is generally located south of San Bernardino Avenue, and north of the Slover Avenue bounded on the east and west within the City limits. The former Gateway Project Area is near the intersection of the I-10 Freeway and Riverside Avenue. The Gateway Redevelopment Project is presently zoned for commercial and medium industrial land use in accordance with the City’s Gateway Specific Plan. Although some residential dwellings are located within the Gateway Redevelopment Project, such dwellings are legal nonconforming uses under the applicable development standards of the City.

The former Gateway Project Area consists of a mixture of existing commercial and industrial developments, including a Wal-Mart retail store, motels, several restaurants, and service stations. In 2008, the City approved a 230,000 square foot retail center at the southwest corner of Riverside Avenue and San Bernardino Avenue, anchored by a new Wal-Mart Supercenter (Wal-Mart will relocate the existing store). In 2014, the City resolved litigation filed against the project under CEQA. Wal-Mart has submitted building plans for the proposed Wal-Mart Supercenter. The plans are currently in plan check with the City. The developer expects to commence construction in the fall of 2015.

Much of the vacant property in this portion of the former Gateway Project Area is encumbered by the assumed presence of an endangered species (the Delhi Sands Flower Loving Fly). Approximately 10 acres within the former Gateway Project Area has been dedicated for preservation purposes and another 40 acres has been identified as suitable or restorable habitat. Development applications are currently reviewed on a case-by-case basis if the proposed project is located upon the Delhi Sands which serves as the ecosystem for the Delhi Sands Flower Loving Fly. After completion of required biological surveys, proposed projects are usually (1) released from any further development limitations or (2) required to acquire off-site habitat as mitigation. If burdened with off-site mitigation, the developer negotiates a Habitat Conservation Plan with the Fish and Wildlife Service that dictates the mitigation. See “RISK FACTORS – Delhi Sands Flower-Loving Fly.



## **Industrial Project Area**

The former Industrial Project Area was adopted on July 17, 1979 by Ordinance No. 782 and consists of two noncontiguous areas totaling 2,017 acres. The larger of these two areas is generally located north of Baseline Road, east of Alder Avenue, south of Casa Grande Drive and west of Spruce Avenue. The southern and smaller area is generally north of Merrill Avenue, east of Linden Avenue, south of Rialto Avenue and west of Lilac Avenue. The majority of the assessed value within this portion of the Merged Project Area is in industrial use (53.46%) and unsecured value (24.39%). There are 164 vacant parcels within the former Industrial Project Area.

The Rialto Municipal Airport is the dominant use in the northern portion of the former Industrial Project Area. The Successor Agency has entered into agreements with a developer for the master planning and redevelopment of some or all of the Airport and Agency owned properties. The Airport represents approximately 500 acres of freeway accessible property, which could be developed for residential, commercial and industrial uses pursuant to the Renaissance Rialto Specific Plan adopted in 2010. Federal legislation was approved in 2005 which grants the City the ability to close the airport under expedited rules with the Federal Aviation Administration. The City has also entered into an agreement with the San Bernardino International Airport Authority to help facilitate the relocation of displaced aviation tenants from the Rialto Municipal Airport. The City relocated most of the tenants at the Airport and closed the Airport to all aviation operations on April 1, 2015. The City completed demolition of the vertical hangar structures and has awarded contracts for horizontal improvement demolition and remediation activities. The City sold its first two land parcels totaling 80 acres in March, 2015 to Niagara Bottling and Medline Industries. The City has awarded contracts to construct Miro Way (\$15 million), Alder Avenue (\$10 million) and will soon go out to bid for Ayala Drive (\$11 million) to improve area roadways. The build-out value of the Airport redevelopment project is expected to exceed \$1 billion.

The City entered into development agreements to facilitate projects along Baseline Road, immediately south of the Airport. Panattoni Development recently completed two buildings, a 373,000 square warehouse at the northwest corner of Baseline Road and Locust Avenue and a 718,000 square foot warehouse at the northeast corner of Baseline Road and Locust Avenue. OHL, a global logistics management firm, has completed tenant improvements for the 725,000 square foot facility and will ship electronic products for Apple, employing up to 500 workers. The City approved a development agreement with Panattoni Development for a third warehouse of 750,000 square feet at the northwest corner of Baseline Road and Linden Avenue. Panattoni completed demolition of structures and commenced development of the site in June, 2015.

In June 2014, Target completed a 500,000 square foot cold storage food distribution facility at the southwest corner of Renaissance Parkway and Laurel Avenue, immediately north of the Airport. DCT Industrial completed the construction of a 928,000 square foot warehouse at the southeast corner of Renaissance Parkway and Laurel Avenue in the first quarter of 2015. B & B Plastics received land use entitlements and expects to commence construction on a 150,000 square foot industrial facility at the northwest corner of Locust Avenue and Casmalia Street later this year. CapRock Partners is constructing two projects: a 620,000 square foot warehouse on Locust Avenue and a 428,000 square foot warehouse on Casmalia Street. Thrifty Oil pulled permits and will commence construction on a 630,000 square foot warehouse at the northeast corner of Casmalia Street and Alder Avenue.

The southern portion of the former Industrial Project Area is presently zoned for industrial uses, with certain select areas devoted to commercial uses. This area is rail served and includes business occupants such as Toys R Us and Staples, both having developed large distribution facilities in recent years. State Pipe and Supply completed an expansion of its facility in 2010, adding 60,000 square feet of office and warehouse facilities. In addition, several of the pre-recession industrial facilities constructed have been occupied by American Handforge and American Business Supply.

## **Added Territory**

The Added Territory consists of 3,436 acres in three sub-areas of the City of Rialto.

Subarea A consists of approximately 1,427 acres of land located north of Baseline Road and east of the City's easterly boundary on the east and west sides of the northern portion of the former Industrial Project Area. Major General Plan land use designations in Subarea A include industrial, commercial and public, with three small residential tracts at the extreme north, fronting the north side of Baseline Road and just north of the Rialto Municipal Airport. The Foothill 210 Freeway bisects this Subarea along Highland Avenue.

Subarea B consists of approximately 1,679 acres of land and connects the two non-contiguous portions of the former Industrial Project Area together and to the former Central Business District Project Area. Land uses are primarily residential and commercial with some mixed open space and public uses. This area is in the center of the City and largely consists of older developments.

Subarea C consists of approximately 330 acres of land and connects the Industrial and Central Business District Project Areas to the former Gateway Project Area and extends the former Agua Mansa Project Area southward to include the industrial parcels comprising the southern tip of the City. It consists primarily of commercial and industrial parcels.

The Added Territory includes significant vacant land that is undergoing industrial development. In 2006, Target Corporation completed construction on a 3.3 million square foot distribution facility to serve its retail stores in the western United States. Target added another 400,000 square feet of building in 2010. Prologis Development Services constructed and leased three buildings in the Prologis North Industrial Park, comprising 2.8 million square feet. Prologis is currently constructing a 677,000 square foot addition to the Prologis North Industrial Park.

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**Land Use**

The table below represents the breakdown of land use in the Merged Project Area by the number of parcels and by assessed value for fiscal year 2014-15. Unsecured and California State Board of Equalization (“SBOE”) non-unitary values are connected with parcels that are already accounted for in other categories. It should be noted that the figures below include the net taxable value for all parcels. This information is based on County land use designations as provided by the County.

**Merged Project Area  
Land Use Summary**

<u>Category</u>	<u>No. Parcels</u>	<u>Net Taxable Value</u>	<u>% of Total Value</u>
Residential	3,513	\$594,875,066	18.87%
Commercial	463	415,194,588	13.17
Industrial	349	1,297,424,738	41.16
Dry/Irrigated Farm	3	746,274	0.02
Recreational	6	2,257,656	0.07
Institutional	36	10,809,848	0.34
Government	5	8,952,145	0.28
Miscellaneous	51	6,409,416	0.20
Vacant Land	635	270,702,330	8.59
Exempt	<u>490</u>	<u>0</u>	<u>0.00</u>
Subtotals:	5,551	\$2,607,372,061	82.72%
SBOE Non-unitary		754,444	0.02
Unsecured	<u>-</u>	<u>543,737,129</u>	<u>17.25</u>
Totals:	5,551	\$3,151,863,634	100.00%

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Source: HdL Coren & Cone.

The vacant parcels within the Merged Project Area total 1,516.36 acres according to Assessor’s maps and other County records. The following Table C breaks down the vacant parcels for each of the component project areas.

**Merged Project Area  
Vacant Land Summary**

<u>Project Area</u>	<u>No. Vacant Parcels</u>	<u>Acres</u>
Industrial	128	424.72
Agua Mansa	81	308.38
Gateway	25	34.26
Central Business District	85	21.46
Added Territory	<u>316</u>	<u>727.54</u>
Totals	635	1,516.36

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Source: HdL Coren & Cone.

## TAX REVENUES

### Historical Tax Revenues

The Successor Agency's source of Tax Revenues pledged to pay debt service on the Bonds, the Non-Housing Parity Bonds, and Housing Parity Bonds is tax revenues from the Merged Project Area. The following table shows a summary of the historical taxable valuations and resulting tax revenues in the Merged Project Area. This summary of historical assessed valuations and tax revenues is not intended to aid in the prediction of future pledged Tax Revenues.

### Merged Project Area Historical Taxable Value

<u>Secured</u> <sup>(1)</sup>	<b>Adjusted Base Year (2007-08)</b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2013-14</u></b>	<b><u>2014-15</u></b>
Land	\$563,921,465	\$823,690,412	\$828,405,444	\$821,236,517	\$877,535,606	\$932,364,998
Improvements	6,996	1,578,902,223	1,559,980,155	1,566,707,695	1,585,814,290	1,783,933,621
Personal Property	0	1,870,448	1,271,363	1,209,855	1,132,616	127,113
Exemptions	<u>0</u>	<u>(58,170,102)</u>	<u>(85,941,478)</u>	<u>(92,985,435)</u>	<u>(108,061,307)</u>	<u>(108,299,227)</u>
<b>Total Secured</b>	<b><u>\$563,928,461</u></b>	<b><u>\$2,346,292,981</u></b>	<b><u>\$2,303,715,484</u></b>	<b><u>\$2,296,168,632</u></b>	<b><u>\$2,356,421,205</u></b>	<b><u>\$2,608,126,505</u></b>
<b>Unsecured</b>						
Land	0	0	0	0	0	0
Improvements	\$ 15,513,527	\$250,470,958	\$204,674,638	\$291,719,115	\$287,404,575	\$319,345,980
Personal Property	53,235,125	212,617,530	200,267,290	208,583,983	199,991,810	224,761,675
Exemptions	<u>0</u>	<u>(394,177)</u>	<u>(362,257)</u>	<u>(383,239)</u>	<u>(398,892)</u>	<u>(370,526)</u>
<b>Total Unsecured</b>	<b><u>\$ 68,748,652</u></b>	<b><u>\$462,694,311</u></b>	<b><u>\$404,579,671</u></b>	<b><u>\$499,919,859</u></b>	<b><u>\$486,997,493</u></b>	<b><u>\$543,737,129</u></b>
<b>GRAND TOTAL</b>	<b><u>\$632,677,113</u></b>	<b><u>\$2,808,987,292</u></b>	<b><u>\$2,708,295,155</u></b>	<b><u>\$2,796,088,491</u></b>	<b><u>\$2,843,418,698</u></b>	<b><u>\$3,151,863,634</u></b>

Source: County of San Bernardino and HdL Coren & Cone.

<sup>(1)</sup> Secured values include state assessed non-unitary utility property.

The County Auditor-Controller apportions tax revenues to the Successor Agency based upon the amount of the tax levy that is received from the taxpayers. Secured collection rates for the Merged Project Area have been consistently high. The following table illustrates the final tax revenue collections for the fiscal years shown.

### Merged Project Area Tax Revenues Collection Rates

<b>Fiscal Year</b>	<b><u>Industrial</u></b>	<b><u>Agua Mansa</u></b>	<b><u>Gateway</u></b>	<b><u>Central Business Dist.</u></b>	<b><u>Added Territory</u></b>
2009-10	95.57%	108.73%	98.93%	86.52%	96.95%
2010-11	95.45	98.17	98.85	89.63	93.34
2011-12	87.97	87.57	90.92	92.19	86.05
2012-13	96.19	86.76	94.57	91.93	93.23
2013-14	96.81	98.65	91.18	94.24	103.62

Source: HdL Coren & Cone.

## **Deposits to Redevelopment Property Tax Trust Fund**

As discussed above, the Dissolution Act provides that only those payments listed in a Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule. Pledged Tax Revenues will not be withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and remitted to the Trustee without a duly approved and effective Recognized Obligation Payment Schedule. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Recognized Obligation Payment Schedule” and “PROPERTY TAXATION IN CALIFORNIA – Property Tax Collection Procedures – Recognized Obligation Payment Schedule.”

Copies of the Recognized Obligation Payment Schedules submitted by the Successor Agency in the last three fiscal years are attached hereto as APPENDIX I – “RECOGNIZED OBLIGATION PAYMENT SCHEDULES.”

## **Assessed Values**

Taxable values are prepared and reported by the County Auditor-Controller each fiscal year and represent the aggregation of all locally assessed properties that are part of the Merged Project Area. The assessments are assigned to Tax Rate Areas (“TRA”) that are coterminous with the boundaries of the Merged Project Area. The historic reported taxable values for the original project areas composing the Merged Project Area were reviewed in order to ascertain the rate of taxable property valuation growth over the most recent ten fiscal years beginning with 2004-05. Between 2004-05 and 2013-14 the taxable value within the Merged Project Area increased by \$1,395,717,158 (97.02%) in the aggregate, although such growth was not experienced uniformly among each of the original project areas. This represents an average annual growth of 9.7% despite reductions in value that occurred in fiscal years 2009-10, 2010-11 and 2011-12. Modest growth in 2012-13 and 2013-14 has recovered approximately 47.3% of the value lost in those three years.

Assessed values increased substantially for fiscal year 2014-15. Within the Merged Project Area, values rose by a combined \$308.9 million (10.86%). Secured values increased by \$252.1 million (10.7%) and unsecured values increased by \$56.7 million (11.65%). Growth by component project area is shown in Table 2 below. The largest increase was among industrial properties which grew by \$165.1 million (15.1%) in taxable value with the second largest source of growth being among unsecured assessments which grew by \$56.7 million (11.65%). Residential values benefitted from a more aggressive recovery of value declines that have occurred over the past several years as a result of Proposition 8 reductions. Residential values increased by \$41.8 million (7.6%) over the values for 2013-14.

**Merged Project Area  
Taxable Value History  
By Component Project Area**

<b>Fiscal Year</b>	<b><u>Industrial</u></b>	<b><u>Agua Mansa</u></b>	<b><u>Gateway</u></b>	<b><u>CBD</u></b>	<b><u>Added Territory</u></b>
2004-05	\$297,901,795	\$324,985,194	\$72,254,681	\$145,306,458	\$598,066,446
2005-06	315,239,826	355,257,109	75,580,057	161,297,179	750,914,521
2006-07	364,762,467	418,219,997	82,686,779	187,346,765	992,991,417
2007-08	496,758,752	536,558,211	96,860,776	210,637,082	1,272,527,756
2008-09	540,365,168	572,470,173	85,977,362	216,778,228	1,531,802,170
2009-10	609,328,318	559,512,093	85,485,250	195,705,276	1,442,166,533
2010-11	551,389,490	641,256,900	85,487,202	172,840,439	1,358,013,261
2011-12	531,909,022	568,907,117	85,314,612	171,507,815	1,350,656,589
2012-13	544,933,155	609,283,099	84,804,092	169,727,656	1,387,340,489
2013-14	577,041,562	592,226,945	85,661,854	174,894,151	1,413,594,186
2014-15	647,300,054	613,543,137	86,307,997	182,572,677	1,622,139,769

Source: HdL Coren & Cone.

**Largest Property Owners**

The table below shows the ten largest property owners in the Merged Project Area for Fiscal Year 2014-15. Within the Merged Project Area, the aggregate total taxable value for the ten largest taxpayers totaled \$1,014,060,596. This amount is 40.25% of the \$2,519,186,521 Merged Project Area incremental value. The top taxpayer in the Merged Project Area is Target Corporation that controls 17 secured parcels and 2 unsecured valuations at a combined valuation of \$301,001,277. The value of the Target Corporation parcels is 11.95% of the Merged Project Area’s total incremental value. The second largest taxpayer in the Project Area is Prologis-MacQuarie that controls a total of \$235,969,763 in secured and unsecured assessed value. This amount is 9.37% of the Merged Project Area’s incremental value. See “RISK FACTORS – Concentration of Ownership.”

Among the top ten taxpayers, three have filed assessment appeals that are currently pending. These include Prologis-MacQuarie, the number two taxpayer, Teachers Insurance and Annuity, the number four taxpayer, and Locust and Linden Fund IX LLC, the number ten taxpayer. The details of these pending assessment appeals are discussed in the section entitled “Assessment Appeals” below. Potential reductions in value that may result from these appeals have been considered in the projections of tax increment revenue for the Merged Project Area.

**Merged Project Area  
Top Ten Taxable Property Owners  
Fiscal Year 2014-15**

<u>Property Owner</u>	<u>Combined Value</u>	<u>% of Total Assessed Value</u>	<u>% of Total Incremental Value</u>
Target Corporation	\$301,001,277	9.55%	11.95%
Prologis-MacQuarie	235,969,763	7.49	9.37
Teachers Insurance and Annuity Ass.	109,243,725	3.47	4.34
FedEx Ground Package System	85,692,590	2.72	3.40
Toys ‘R’ Us – Delaware Inc.	60,582,610	1.92	2.40
Staples the Office Superstore	50,167,219	1.59	1.99
SFPP LP	47,728,080	1.51	1.89
I-210 Logistics Center Fund X LLC	46,801,197	1.48	1.86
100 Cedar Avenue LLC	45,547,016	1.44	1.81
Locust and Linden Fund	<u>31,327,119</u>	<u>0.99</u>	<u>1.24</u>
<b>Totals:</b>	\$1,014,060,596		
<b>Total Assessed Values:</b>	\$3,151,863,634	32.17%	
<b>Incremental Assessed Value:</b>	\$2,519,186,521		40.25%

Source: HdL Coren & Cone.

Target Corporation (“Target”), the largest property owner in the Merged Project Area based on the 2014-15 property tax roll operates a 3.1 million-square-foot distribution center encompassing over 260 acres. Target’s distribution center has been in operation in the City since 2006.

Prologis-MacQuarie (“Prologis”), the second-largest property owner in the Merged Project Area based on the 2014-15 property tax roll operates various distribution centers totaling over 220 acres. Prologis has been operating in the City since 2003.

Teachers Insurance and Annuity Association (“TIAA”), the third-largest property owner in the Merged Project Area based on the 2014-15 property tax roll is a financial organization providing retirement advice for people who work in the academic, research and medical fields. TIAA owns an industrial warehouse and distribution facility.

FedEx Ground Package System (“FedEx”), the fourth-largest property owner in the Merged Project Area based on the 2014-15 property tax roll operates a distribution center encompassing over 90 acres. FedEx’s distribution center has been in operation in the City since 1999.

**Agency Not Subject to “Teeter Plan”**

According to the County Auditor-Controller, the Successor Agency’s tax increment apportionments are not subject to the “Teeter Plan,” which stabilizes property tax payments at 100% of anticipated receipts. Consequently, delinquent property taxes will impact Tax Revenues. See APPENDIX H – “FISCAL CONSULTANT’S REPORT” for more detailed information on the projected impact of delinquent property tax payments on Tax Revenues.

## **Assessment Appeals**

Taxpayers may appeal their property tax assessments. The value of locally assessed property is appealed to the local county assessor, while the value of state assessed property is appealed to the California Board of Equalization. Both real and personal property assessments can be appealed. Personal property appeals are filed based on disputes over the full cash value of the property.

Under California law, there are two types of appeals for the value of real property. A base year appeal involves the Proposition 13 value of property. If an assessee is successful with a base year appeal, the value of the property is permanently reduced. In the future, the value can only be increased by an inflation factor of up to 2 percent annually. Appeals can also be filed pursuant to Section 51(b) of the Revenue and Taxation Code. Under this section of the code, also referred to as Proposition 8 appeals, the value of property can be reduced due to damage, destruction, removal of property, general decline in the real estate market, or other factors that cause a decline in value. When the circumstance that caused the decline is reversed the value of the property can be increased up to the factored base year value of the property. Values can be reduced under Proposition 8 either based on a formal appeal or they can be set by the county assessor.

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The table below shows a list of outstanding appeals in the Merged Project Area. See APPENDIX H – “FISCAL CONSULTANT’S REPORT” for more information on assessment appeals.

**Merged Project Area  
Pending Assessment Appeals**

<u>Project Areas</u>	<u>Total No. of Appeals</u>	<u>No. of Resolved Appeals</u>	<u>No. of Successful Appeals</u>	<u>Average Reduction</u>	<u>No. of Appeals Pending</u>	<u>Value of Appeals Pending</u>	<u>Est. No. of Appeals Allowed</u>	<u>Est. Reduction on Pending Appeals Allowed (2015-16 Value Adjustment)</u>
Industrial	107	86	69	28.72%	21	\$(113,172,960)	17	\$26,076,635
Agua Mansa	67	46	30	20.16	21	(72,567,402)	14	9,540,315
Gateway	29	19	10	23.05	10	(19,647,633)	5	2,383,105
Central Buss. Dist.	65	54	26	15.18	11	(9,570,658)	5	699,398
Added Territory	<u>319</u>	<u>250</u>	<u>157</u>	22.45	<u>69</u>	<u>(202,486,201)</u>	<u>43</u>	<u>28,552,699</u>
<b>Merged Project Area</b>	<b>587</b>	<b>455</b>	<b>292</b>		<b>132</b>	<b>\$(417,444,854)</b>	<b>84</b>	<b>\$67,252,153</b>

<sup>(1)</sup> The pending appeals included in the projection of value loss do not include appeals on the same parcel in multiple years. Reduction in value in such cases is not cumulative.

Source: HdL Coren & Cone.

## **Projected Tax Revenues and Estimated Debt Service Coverage**

The following tables show the current and projected valuation of taxable property in the Merged Project Area together with projected Tax Revenues based on the Fiscal Consultant's projections of Tax Revenues for the Merged Project Area as set forth in the Fiscal Consultant's Report. See APPENDIX H – "FISCAL CONSULTANT'S REPORT" for more detailed information on projected Tax Revenues for the Merged Project Area, including an explanation of the assumptions on which such projections are based.

Receipt of projected Tax Revenues in the amounts and at the time projected by the Successor Agency's Fiscal Consultant depends on the realization of certain assumptions relating to the Tax Revenues. The projections of Tax Revenues shown in the Fiscal Consultant's Report are based on the assumptions described therein. Based upon the projected Tax Revenues, the Successor Agency expects sufficient funds should be available to the Successor Agency to pay principal of and interest on the Bonds. Although the Successor Agency believes that the assumptions upon which the projected Tax Revenues are based are reasonable, the Successor Agency provides no assurance that the projected Tax Revenues will be realized. The tax increment limit of each of the four former project areas is not expected to be exceeded prior to fiscal year 2034-35. See "THE SUCCESSOR AGENCY – Plan Limitations." To the extent that the assumptions are not actually realized, the Successor Agency's ability to timely pay principal and interest on the Bonds may be materially adversely affected. See "RISK FACTORS."

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**Merged Project Area  
Projected Tax Revenues (In thousands)  
Assumes No Inflationary Growth**

<b>Fiscal Year June 30</b>	<b>Total Taxable Value</b>	<b>Taxable Value Over Base</b>	<b>Adjusted Gross Tax Revenue<sup>(1)</sup></b>	<b>County Admin. Charges</b>	<b>Housing Set-Aside</b>	<b>Pass-Through Agreements<sup>(3)</sup></b>	<b>Tax Revenues<sup>(4)</sup></b>
2016 <sup>(2)</sup>	\$3,135,475	\$2,502,798	\$28,566	\$(209)	\$(5,713)	\$(2,920)	\$19,723
2017	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2018	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2019	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2020	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2021	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2022	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2023	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2024	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2025	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2026	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2027	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2028	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2029	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2030	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2031	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2032	3,135,475	2,502,798	28,566	(209)	(5,713)	(2,920)	19,723
2033	2,500,296	1,882,892	21,501	(155)	(4,300)	(2,310)	14,735
2034	2,500,296	1,882,892	21,501	(155)	(4,300)	(2,310)	14,735
2035	2,500,296	1,882,892	21,501	(155)	(4,300)	(2,310)	14,735
2036	2,500,296	1,882,892	19,453	(145)	(3,891)	(1,673)	13,745

Source: HdL Coren & Cone.

- <sup>(1)</sup> Gross Tax Revenue net of Section 33676 inflationary adjustments from within the former Gateway Project Area.
- <sup>(2)</sup> Values for fiscal year 2015-16 reflect a reduction of \$66.6 million for projected value loss due to pending assessment appeals. Values for fiscal year 2015-16 include \$19.9 million in value for 108 transfers of ownership after January 1, 2014.
- <sup>(3)</sup> See "APPENDIX H- FISCAL CONSULTANT'S REPORT" for summaries of the Successor Agency's pass-through agreements and the effect of these pass-through agreements on projected Tax Revenues available to pay debt service on the Bonds.
- <sup>(4)</sup> Amount projected to be available to pay debt service on the Bonds and Parity Bonds.

**Merged Project Area  
Projected Tax Revenues  
(In thousands)  
Assumes Inflationary Growth**

<b>Fiscal Year June 30</b>	<b>Total Taxable Value</b>	<b>Taxable Value Over Base</b>	<b>Adjusted Gross Tax Revenue<sup>(1)</sup></b>	<b>County Admin. Charges</b>	<b>Housing Set-Aside</b>	<b>Pass-Through Agreements<sup>(2)</sup></b>	<b>Tax Revenues<sup>(3)</sup></b>
2016	\$3,192,619	\$2,559,942	\$29,214	\$(214)	\$(5,843)	\$(2,980)	\$20,177
2017	3,251,981	2,619,304	29,886	(219)	(5,977)	(3,041)	20,649
2018	3,312,531	2,679,853	30,572	(224)	(6,114)	(3,103)	21,131
2019	3,374,291	2,741,614	31,272	(229)	(6,254)	(3,167)	21,622
2020	3,437,286	2,804,609	31,986	(234)	(6,397)	(3,232)	22,123
2021	3,501,542	2,868,865	32,714	(239)	(6,543)	(3,298)	22,634
2022	3,567,082	2,934,405	33,457	(245)	(6,691)	(3,366)	23,155
2023	3,633,933	3,001,256	34,214	(250)	(6,843)	(3,435)	23,686
2024	3,702,122	3,069,445	34,987	(256)	(6,997)	(3,505)	24,228
2025	3,771,674	3,138,997	35,775	(262)	(7,155)	(3,577)	24,781
2026	3,842,617	3,209,940	36,579	(268)	(7,316)	(3,650)	25,346
2027	3,914,979	3,282,302	37,399	(274)	(7,480)	(3,725)	25,921
2028	3,988,788	3,356,111	38,235	(280)	(7,647)	(3,801)	26,508
2029	4,064,073	3,431,396	39,088	(286)	(7,818)	(3,878)	27,106
2030	4,140,865	3,508,187	39,958	(292)	(7,992)	(3,957)	27,717
2031	4,219,191	3,586,514	40,846	(299)	(8,169)	(4,038)	28,340
2032	4,299,085	3,666,408	41,751	(305)	(8,350)	(4,121)	28,975
2033	3,499,453	2,882,049	32,837	(237)	(6,567)	(3,353)	22,680
2034	3,566,150	2,948,746	33,594	(243)	(6,719)	(3,422)	23,210
2035	3,634,181	3,016,777	34,366	(248)	(6,873)	(3,493)	23,751
2036	3,703,573	3,086,168	31,681	(237)	(6,336)	(2,510)	22,597

Source: HdL Coren & Cone.

<sup>(1)</sup> Gross Tax Revenue net of Section 33676 inflationary adjustments from within the former Gateway Project Area.

<sup>(2)</sup> See “APPENDIX H – FISCAL CONSULTANT’S REPORT” for summaries of the Successor Agency’s pass-through agreements and the effect of these pass-through agreements on projected Tax Revenues available to pay debt service on the Bonds.

<sup>(3)</sup> Amount projected to be available to pay debt service on the Bonds and Parity Bonds.

## Estimated Debt Service Coverage

The following tables show the debt service coverage on the Bonds and the Housing Parity Bonds and Non-Housing Parity Bonds, based on estimated Tax Revenues from the Merged Project Area. Although the Successor Agency believes that the assumptions upon which the projected Tax Revenues are based are reasonable, the Successor Agency provides no assurance that the projected Tax Revenues will be realized. See “RISK FACTORS.”

**Non-Housing Bonds  
Merged Project Area  
Estimated Debt Service Coverage  
Fiscal Years Ending June 30, 2016 through 2035  
(In thousands)  
Assumes No Inflationary Growth**

<u>Fiscal Year</u>	<u>Projected Tax Revenues</u> <sup>(1)</sup>	<u>Debt Service on Non-Housing Parity Bonds</u>	<u>Debt Service on Non-Housing Bonds</u> <sup>(2)</sup>	<u>Total Debt Service</u>	<u>Coverage</u>
2016	\$19,723	\$6,129	\$2,430	\$8,558	230.5%
2017	19,723	6,134	2,424	8,558	230.5
2018	19,723	6,129	2,433	8,563	230.3
2019	19,723	6,139	2,428	8,567	230.2
2020	19,723	6,121	2,435	8,556	230.5
2021	19,723	6,127	2,434	8,561	230.4
2022	19,723	6,130	2,424	8,554	230.6
2023	19,723	6,120	2,437	8,557	230.5
2024	19,723	6,112	2,441	8,553	230.6
2025	19,723	6,120	2,438	8,559	230.4
2026	19,723	6,124	2,437	8,561	230.4
2027	19,723	6,114	2,441	8,555	230.5
2028	19,723	6,599	2,437	9,036	218.3
2029	19,723	5,072	3,729	8,801	224.1
2030	19,723	5,097	3,707	8,804	224.0
2031	19,723	5,139	3,678	8,817	223.7
2032	19,723	5,173	3,654	8,826	223.5
2033	14,735	5,487	3,373	8,860	166.3
2034	14,735	5,534	3,333	8,867	166.2
2035	14,735	5,585	3,292	8,877	166.0

Source: Fiscal Consultant; Underwriters.

<sup>(1)</sup> See APPENDIX H – “FISCAL CONSULTANT’S REPORT” for more detailed information on projected Tax Revenues for the Merged Project Area, including an explanation of the assumptions on which such projections are based.

<sup>(2)</sup> Preliminary; subject to change.

**2015 Series C Bonds  
Merged Project Area  
Estimated Debt Service Coverage  
Fiscal Years Ending June 30, 2016 through 2032  
(In thousands)  
Assumes No Inflationary Growth**

<u>Fiscal Year</u>	<u>Housing Set-Aside<sup>(1)</sup></u>	<u>Debt Service on Housing Parity Bonds</u>	<u>Debt Service on 2015 Series C Bonds<sup>(2)</sup></u>	<u>Total Debt Service</u>	<u>Coverage</u>
2016	\$5,713	\$2,355	\$683	\$3,038	188.1%
2017	5,713	2,354	678	3,032	188.4
2018	5,713	2,356	678	3,034	188.3
2019	5,713	2,356	680	3,036	188.2
2020	5,713	2,353	681	3,034	188.3
2021	5,713	2,357	680	3,037	188.1
2022	5,713	2,357	677	3,034	188.3
2023	5,713	2,355	683	3,038	188.1
2024	5,713	2,359	678	3,037	188.1
2025	5,713	2,359	680	3,039	188.0
2026	5,713	2,354	682	3,036	188.2
2027	5,713	2,356	676	3,032	188.4
2028	5,713	2,358	679	3,037	188.1
2029	5,713	2,354	679	3,033	188.4
2030	5,713	2,356	679	3,035	188.2
2031	5,713	2,356	681	3,037	188.1
2032	5,713	2,355	676	3,031	188.5

Source: Fiscal Consultant; Underwriters.

<sup>(1)</sup> See APPENDIX H – “FISCAL CONSULTANT’S REPORT” for more detailed information on projected Tax Revenues for the Merged Project Area, including an explanation of the assumptions on which such projections are based.

<sup>(2)</sup> Preliminary; subject to change.

**Non-Housing Bonds  
Merged Project Area  
Estimated Debt Service Coverage  
Fiscal Years Ending June 30, 2016 through 2035  
(In thousands)  
Assumes Inflationary Growth**

<u>Fiscal Year</u>	<u>Projected Tax Revenues</u> <sup>(1)</sup>	<u>Debt Service on Non-Housing Parity Bonds</u>	<u>Debt Service on Non-Housing Bonds</u> <sup>(2)</sup>	<u>Total Debt Service</u>	<u>Coverage</u>
2016	\$20,177	\$6,129	\$2,430	\$8,558	235.8%
2017	20,649	6,134	2,424	8,558	241.3
2018	21,131	6,129	2,433	8,563	246.8
2019	21,622	6,139	2,428	8,567	252.4
2020	22,123	6,121	2,435	8,556	258.6
2021	22,634	6,127	2,434	8,561	264.4
2022	23,155	6,130	2,424	8,554	270.7
2023	23,686	6,120	2,437	8,557	276.8
2024	24,228	6,112	2,441	8,553	283.3
2025	24,781	6,120	2,438	8,559	289.5
2026	25,346	6,124	2,437	8,561	296.1
2027	25,921	6,114	2,441	8,555	303.0
2028	26,508	6,599	2,437	9,036	293.4
2029	27,106	5,072	3,729	8,801	308.0
2030	27,717	5,097	3,707	8,804	314.8
2031	28,340	5,139	3,678	8,817	321.4
2032	28,975	5,173	3,654	8,826	328.3
2033	22,680	5,487	3,373	8,860	256.0
2034	23,210	5,534	3,333	8,867	261.8
2035	23,751	5,585	3,292	8,877	267.6

Source: Fiscal Consultant; Underwriters.

<sup>(1)</sup> See APPENDIX H – “FISCAL CONSULTANT’S REPORT” for more detailed information on projected Tax Revenues for the Merged Project Area, including an explanation of the assumptions on which such projections are based.

<sup>(2)</sup> Preliminary; subject to change.

**2015 Series C Bonds  
Merged Project Area  
Estimated Debt Service Coverage  
Fiscal Years Ending June 30, 2016 through 2032  
(In thousands)  
Assumes Inflationary Growth**

<u>Fiscal Year</u>	<u>Housing Set-Aside<sup>(1)</sup></u>	<u>Debt Service on Housing Parity Bonds</u>	<u>Debt Service on 2015 Series C Bonds<sup>(2)</sup></u>	<u>Total Debt Service</u>	<u>Coverage</u>
2016	\$5,843	\$2,355	\$683	\$3,038	192.3%
2017	5,977	2,354	678	3,032	197.1
2018	6,114	2,356	678	3,034	201.5
2019	6,254	2,356	680	3,036	206.0
2020	6,397	2,353	681	3,034	210.9
2021	6,543	2,357	680	3,037	215.5
2022	6,691	2,357	677	3,034	220.5
2023	6,843	2,355	683	3,038	225.3
2024	6,997	2,359	678	3,037	230.4
2025	7,155	2,359	680	3,039	235.5
2026	7,316	2,354	682	3,036	240.9
2027	7,480	2,356	676	3,032	246.7
2028	7,647	2,358	679	3,037	251.8
2029	7,818	2,354	679	3,033	257.7
2030	7,992	2,356	679	3,035	263.4
2031	8,169	2,356	681	3,037	269.0
2032	8,350	2,355	676	3,031	275.5

Source: Fiscal Consultant; Underwriters.

<sup>(1)</sup> See APPENDIX H – “FISCAL CONSULTANT’S REPORT” for more detailed information on projected Tax Revenues for the Merged Project Area, including an explanation of the assumptions on which such projections are based.

<sup>(2)</sup> Preliminary; subject to change.

## RISK FACTORS

*The following information should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.*

The various legal opinions to be delivered concurrently with the issuance of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors’ rights, including equitable principles.

### Reduction in Taxable Value

Gross Tax Revenues available to pay principal and interest on the Bonds are determined by the amount of incremental taxable value in the Merged Project Area and the current rate or rates at which



property in the Merged Project Area is taxed. The reduction of taxable values of property in the Merged Project Area caused by economic factors beyond the Successor Agency's control, such as relocation out of the Merged Project Area by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the pledged Tax Revenues that provide for the repayment of and secure the Bonds. Such reduction of Gross Tax Revenues could have an adverse effect on the Successor Agency's ability to make timely payments of principal of and interest on the Bonds.

As described in greater detail under the heading "PROPERTY TAXATION IN CALIFORNIA – Article XIII A of the State Constitution," Article XIII A provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the Bonds could reduce Gross Tax Revenues available to pay principal and interest on the Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Gross Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, described herein under the heading "RISK FACTORS," the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Gross Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and available to the Successor Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the Gross Tax Revenues and adversely affect the source of repayment and security of the Bonds.

### **Limited Powers and Resources**

The Successor Agency was created pursuant to the Dissolution Act to wind down the affairs of the Predecessor Agency. The Successor Agency's powers are limited to those granted under the Dissolution Act. The Successor Agency does not have the power to levy property taxes nor does it have the power to participate in redevelopment activities, except as provided in the Dissolution Act. Many actions by the Successor Agency are subject to the review or approval of the Oversight Board and the State Department of Finance, and, in some cases, the State Controller.

Prior to the Dissolution Act, former redevelopment agencies had the ability to retain funds on hand, accumulated from prior years that were available for use to cover short-term cash flow deficits. In the event of a delay in the receipt of tax increment in any given year, the former redevelopment agency had the option to use such accumulated funds to make payments on bonds when due. Under the Dissolution Act, the Successor Agency, just like each successor agency formed under the Dissolution Act, is required to obtain prior approval from its Oversight Board, and the State Department of Finance, in order to pay an enforceable obligation from a source of funds that is different than the one identified on the ROPS. Except for the pledged Tax Revenues, the Successor Agency has no alternative resources available to make payments on enforceable obligations if there is a delay with respect to scheduled Redevelopment Property Tax Trust Fund disbursements or if the amount from Redevelopment Property Tax Trust Fund disbursements is not sufficient for the required payment of the enforceable obligations.

## **Risks to Real Estate Market**

The Successor Agency's ability to make payments on the Bonds will be dependent upon the economic strength of the Merged Project Area. The general economy of the Merged Project Area will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development within the Merged Project Area could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a decline in the general economy of the Merged Project Area, the owners of property within the Merged Project Area may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of pledged Tax Revenues by the Successor Agency. In addition, the insolvency or bankruptcy of one or more large owners of property within the Merged Project Area, could delay or impair the receipt of pledged Tax Revenues by the Successor Agency.

## **Reduction in Inflationary Rate**

As described in greater detail below, Article XIII A of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2 percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2 percent, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2 percent. The Successor Agency is unable to predict if any adjustments to the full cash value of real property within the Merged Project Area, whether an increase or a reduction, will be realized in the future.

## **Levy and Collection of Taxes**

The Successor Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Gross Tax Revenues, and accordingly, could have an adverse impact on the security for and the ability of the Successor Agency to repay the Bonds.

Likewise, delinquencies in the payment of property taxes by the owners of land in the Merged Project Area, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the Successor Agency's ability to make timely payments on the Bonds. Any reduction in Gross Tax Revenues, whether for any of these reasons or any other reasons, could have an adverse effect on the Successor Agency's ability to pay the principal of and interest on the Bonds.

## **Recognized Obligation Payment Schedule**

The Dissolution Act provides that only those payments listed in a Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each six-month period, the Dissolution Act requires successor agencies to prepare and approve, and submit to the Successor Agency's oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the Successor Agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Pledged Tax Revenues will not be withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller

and remitted to the Trustee without a duly approved and effective Recognized Obligation Payment Schedule. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Recognized Obligation Payment Schedule” and “PROPERTY TAXATION IN CALIFORNIA – Property Tax Collection Procedures – Recognized Obligation Payment Schedule.” If the Successor Agency were to fail to file a Recognized Obligation Payment Schedule with respect to a six-month period, the availability of pledged Tax Revenues to the Successor Agency could be adversely affected for such period.

If a successor agency fails to submit to the State Department of Finance an oversight board-approved Recognized Obligation Payment Schedule complying with the provisions of the Dissolution Act within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the State Department of Finance may determine if any amount should be withheld by the applicable county auditor-controller for payments for enforceable obligations from distribution to taxing entities pursuant to clause (iv) in the following paragraph, pending approval of a Recognized Obligation Payment Schedule. Upon notice provided by the State Department of Finance to the county auditor-controller of an amount to be withheld from allocations to taxing entities, the county auditor-controller must distribute to taxing entities any monies in the Redevelopment Property Tax Trust Fund in excess of the withholding amount set forth in the notice, and the county auditor-controller must distribute withheld funds to the successor agency only in accordance with a Recognized Obligation Payment Schedule when and as approved by the State Department of Finance.

Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, the county auditor-controller is to distribute funds for each six-month period in the following order specified in Section 34183 of the Dissolution Act: (i) first, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act and no later than each January 2 and June 1, to each local Successor Agency and school entity, to the extent applicable, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including pursuant to the Pass-Through Agreements and Statutory Pass-Through Amounts; (ii) second, on each January 2 and June 1, to the Successor Agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule; (iii) third, on each January 2 and June 1, to the Successor Agency for the administrative cost allowance, as defined in the Dissolution Act; and (iv) fourth, on each January 2 and June 1, to taxing entities any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity’s share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

If the successor agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations and the State Department of Finance does not provide a notice to the County Auditor-Controller to withhold funds from distribution to taxing entities, amounts in the Redevelopment Property Tax Trust Fund for such six-month period would be distributed to taxing entities pursuant to clause (iv) above. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” – Recognized Obligation Payment Schedule”).

AB 1484 also adds new provisions to the Dissolution Act implementing certain penalties in the event the Successor Agency does not timely submit a Recognized Obligation Payment Schedule for a six-month period. Specifically, a Recognized Obligation Payment Schedule must be submitted by the Successor Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance, and the State Controller no later than by 90

days before the date of the next January 2 or June 1 property tax distribution with respect to each subsequent six-month period. If the Successor Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by such deadlines, the City will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the State Department of Finance. Additionally, the Successor Agency's administrative cost allowance is reduced by 25% if the Successor Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the Recognized Obligation Payment Schedule for subsequent six-month periods.

In connection with the 2016 Proposed Budget, the Department proposed legislation that would allow Recognized Obligation Payment Schedules to be prepared for a 12-month fiscal year period instead of each six-month period, commencing July 1, 2016. See "DISSOLUTION ACT – Proposed Changes to Dissolution Act."

### **Future Implementation of Dissolution Act**

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by *Syncora Guarantee Inc. and Syncora Capital Assurance Inc.* (collectively, "Syncora") against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance. Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the "Redistribution Provisions" thereof (i.e., California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the "contract clauses" of the United States and California Constitutions (U.S. Const. art. 1, § 10, cl.1; Cal. Const. art. 1, § 9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the "Takings Clauses" of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders' and Syncora's contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora's constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora's takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency's ability to timely pay debt service on the Bonds.

### **Limitations on Remedies**

The enforceability of the rights and remedies of the Holders of the Bonds and the Trustee and the obligations incurred by the Successor Agency may be subject to the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights.

## **Bankruptcy and Foreclosure**

The payment of the property taxes from which pledged Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws generally affecting creditors' rights generally, now or hereafter in effect; equity principles which may limit the specific enforcement under State law of certain remedies; the exercise of the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its government bodies in the interest of serving a significant and legitimate public purpose. 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, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would likely not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds.

## **Estimated Tax Revenues**

In estimating that pledged Tax Revenues will be sufficient to pay debt service on the Bonds, the Successor Agency has made certain assumptions with regard to present and future assessed valuation in the Merged Project Area, future tax rates and percentage of taxes collected. The Successor Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the pledged Tax Revenues available to pay debt service on the Bonds will be less than those projected and such reduced pledged Tax Revenues may be insufficient to provide for the payment of principal of, premium (if any) and interest on the Bonds.

## **Assumptions and Projections**

To estimate the pledged Tax Revenues available to pay debt service on the Bonds, the Fiscal Consultant has made certain assumptions with regard to present and future assessed valuation in the Merged Project Area, future tax rates and percentage of taxes collected. The Successor Agency believes these assumptions to be reasonable, but to the extent that the assessed valuation, the tax rates or the percentage of taxes collected are less than such assumptions, the pledged Tax Revenues available to pay debt service on the Bonds may be less than those projected. No assurance can be made that the aggregate coverage projections with respect to the Bonds will be met.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that 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 Successor Agency does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur. Such

forward-looking statements include, but are not limited to, certain statements contained in the information in “INTRODUCTION,” “THE MERGED PROJECT AREA,” and “TAX REVENUES.”

### **Hazardous Substances**

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the Merged Project Area. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Merged Project Area be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition. See “RISK FACTORS – Rialto/Colton Groundwater Basin Contamination.”

### **Natural Disasters**

The value of the property in the Merged Project Area in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts. In the event that one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and the value of property in the Merged Project Area could be diminished in the aftermath of such events. A substantial reduction of the value of such properties and could affect the ability or willingness of the property owners to pay the property taxes.

The Merged Project Area is located in a seismically active region of Southern California with several faults located within, or within a few miles of, the Merged Project Area. Active faults that may have an impact on the Merged Project Area include the San Jacinto, Glen Helen and Lytle Creek faults. In the event of property damage caused by an earthquake, the assessed valuation of affected property could be reduced. Such a reduction of assessed valuations could result in a reduction of the pledged Tax Revenues that secure the Bonds, which in turn could impair the ability of the Successor Agency to make payments of principal of and interest on the Bonds when due.

### **Changes in Law**

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of pledged Tax Revenues, which could have an adverse effect on the Successor Agency’s ability to pay debt service on the Bonds and such effect could be material.

### **Economic Risk**

The Successor Agency’s ability to make payment on the Bonds will be partially dependent upon the economic strength of the Merged Project Area. If there is a decline in the general economy of the Merged Project Area, the owners of property may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of pledged Tax Revenues. Furthermore, general economic

declines are likely to result in additional reductions of assessed values. In the event of decreased values, pledged Tax Revenues may decline even if property owners make timely payment of property taxes.

### **Investment Risk**

Funds held under the Indenture are required to be invested in Permitted Investments as provided under the Indenture. See APPENDIX A attached hereto for a summary of the definition of Permitted Investments. The funds and accounts of the Successor Agency, into which a portion of the proceeds of the Bonds will be deposited and into which pledged Tax Revenues are deposited, may be invested by the Successor Agency in any investment authorized by law. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal.

### **Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions 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 the then prevailing circumstances.

### **Concentration of Ownership**

The risk of reduction in assessed value as a result of factors described herein may generally increase where the assessed value within the Merged Project Area is concentrated among a relatively few number of property owners. Ownership of property in the Merged Project Area is highly concentrated, with the ten largest property owners accounting for 32.17% of the Fiscal Year 2014-15 assessed valuation and 40.25% of the Merged Project Area incremental value. Significant reduction in the assessed values of these property owners could, by itself or in combination with other factors, have a material adverse effect on the Successor Agency's ability to pay debt service on the Bonds as such payments become due and payable. See "THE MERGED PROJECT AREA – Largest Taxpayers."

### **Rialto/Colton Groundwater Basin Contamination**

The Rockets, Fireworks, and Flares Superfund Site (the "Site") includes a 160-Acre Area in the City where perchlorate, trichloroethylene and other chemicals have contaminated soil and groundwater in the Rialto-Colton Groundwater Basin ("Basin"). The Site, formerly known as the B.F. Goodrich Superfund Site, also includes areas of groundwater contamination downgradient of the 160-Acre Area. The 160-Acre Area was part of the former Rialto Ammunition Backup Storage Point ("RABSP") Area, an approximately 2,800-acre parcel of land acquired by the United States Army to develop an inspection, consolidation, and storage facility for rail cars transporting bombs, ammunition and other ordinance to the Port of Los Angeles during World War II. After the war, the United States sold off the RABSP Area in different parcels, including the 160-Acre Area. Since then, portions of the former RABSP Area have been used by a variety of U.S. Department of Defense ("DoD") contractors, fireworks manufacturers, and others who used perchlorate salts and other chemicals in their manufacturing processes or in their products. The County owns the Mid-Valley Sanitary Landfill, which has operated on a portion of the RABSP Area since 1958.

Following discovery in 1997 of widespread perchlorate groundwater contamination in the Basin, the City was forced to shut down many of its drinking water supply wells. The shutdown of these wells

created a water shortage emergency requiring the City to install wellhead treatment systems at several of its water supply wells in order to provide safe drinking water to its community. The City steadfastly pursued investigation and remediation of the Basin and recovery of its response costs through federal litigation against the parties responsible for such contamination. These parties included the County; Stanley Black & Decker, Inc. and its subsidiary Emhart Industries, Inc. (“Emhart”); DoD and its contractors; manufacturers of fireworks and other pyrotechnics; and several other responsible parties. The City’s efforts resulted in multiple federal consent decree settlements requiring cleanup of the groundwater in the Basin and payment to the City for a portion of its response costs. Under the terms of these settlements, responsible parties have provided a total of \$8.9 million in cash payments to the City.

Consistent with such settlements, the County is currently implementing the Santa Ana Regional Water Quality Control Board Remedy (“Regional Board Remedy”) to clean up the contamination emanating from the Mid-Valley Sanitary Landfill and the Stonehurst Property located in the western portion of the former RABSP Area. Specifically, in 2006, the County constructed and commenced operation of a groundwater extraction and treatment system, which includes a groundwater treatment plant located near Rialto Well number 3. The County treatment plant is operated by the City and provides safe and clean drinking water to the community that satisfies the City’s non-detect drinking water standard for perchlorate.

In addition, such settlements resulted in a binding commitment by Emhart to implement the interim U.S. Environmental Protection Agency Remedy (“EPA Remedy”) to clean up a portion of the plume emanating from the 160-Acre Area located in the eastern portion of the former RABSP Area. Emhart plans to integrate the EPA Remedy with the Regional Board Remedy by expanding the existing County treatment plant and installing up to two additional groundwater extraction wells and associated piping that will connect to the treatment plant. As part of this combination of the EPA and Regional Board Remedies, a portion of the water from the treatment plant will go to the City of Colton (“Colton”). Emhart will also pay for and install a pipeline connecting Rialto’s water distribution system to Colton’s water distribution system. The Regional Board Remedy is estimated to cost \$50 million and will take approximately 25 years to complete. The EPA Remedy is estimated to cost \$40 million and will take approximately 30 years to complete. Emhart estimates that it will commence construction of the EPA Remedy in the fall of 2014.

U.S. EPA entered into a separate settlement with the Goodrich Corporation (“Goodrich”) regarding the Site, which requires Goodrich to conduct additional soil and groundwater investigation activities and to implement a final remedy for the Basin that EPA will propose and select in the future.

### **Delhi Sands Flower-Loving Fly**

The Delhi Sands flower-loving fly (*Rhapiomidas terminatus*) (the “Delhi Sands Fly”) occurs within portions of the Merged Project Area, and is listed as an endangered species under the federal Endangered Species Act. In 1997 the U.S. Fish and Wildlife Service issued a recovery plan for the Delhi Sands Fly, which identified certain populations of the Delhi Sands Fly for protection. The recovery plan is advisory in nature and does not require any party or governmental agency to undertake any specific conservation actions.

Proposed development projects located within area designated as containing Delhi Sands soil must request and receive written clearance from the United States Fish and Wildlife Service (the “USFWS”) prior to obtaining City land use entitlements. In most instances, property owners within the designated Delhi Sands soil areas must conduct and submit two years of biological studies to the USFWS for review prior to the release of development entitlements. If a Delhi Sands Fly is found on the property, the Service requires a federal “Take” permit under Section 7 or Section 10 of the Environmental Protection Act. As a condition of the permit, the property owner is often required to mitigate the impact



upon the Delhi Sands Fly habitat by dedicating land and making other payments to help preserve habitat, either on or off-site, for the Delhi Sands Fly. The cost of these mitigation measures in many instances can make development financially infeasible.

The Successor Agency believes that the federal restrictions imposed on properties within the Delhi Sands area have clearly impeded development and the need for case-by-case review of development proposals that impact Delhi Sands Fly habitat has added uncertainty to the development process and has had the effect of slowing development in these areas.

To help eliminate development uncertainty within this area, the City has commissioned the preparation of a Habitat Conservation Plan (the “HCP”) to determine suitable actions for the conservation of the Delhi Sands Fly. This HCP has been submitted to the U.S. Fish and Wildlife Service for review.

Of the approximately 2,000 acres that comprise the Agua Mansa and Gateway constituent project areas, approximately 300 acres are identified in the Habitat Conservation Plan as areas suitable for Delhi Sands Fly conservation, primarily within the former Agua Mansa Project Area, but also a small portion within the former Gateway Project Area. The Successor Agency cannot predict the degree to which the presence of the Delhi Sands Fly will affect future development in the affected portion of the Merged Project Area, but the approval of the Delhi Sands Fly HCP by the USFWS will provide some certainty as to how certain portions of the project area may be developed in the future. The Successor Agency is actively negotiating with the USFWS for a HCP. The loss of redevelopment funding after the Dissolution Act, however, may negatively impact the Successor Agency’s ability to implement the HCP.

### **No Validation Proceeding Undertaken**

California Code of Civil Procedure Section 860 authorizes public agencies to institute a process, otherwise known as a “validation proceeding,” for purposes of determining the validity of a resolution or any action taken pursuant thereto. Section 860 authorizes a public agency to institute validation proceedings in cases where another statute authorizes its use. California Government Code Section 53511 authorizes a local agency to “bring an action to determine the validity of its bonds, warrants, contracts, obligations or evidences of indebtedness.” Pursuant to Code of Civil Procedure Section 870, a final favorable judgment issued in a validation proceeding shall, notwithstanding any other provision of law, be forever binding and conclusive, as to all matters therein adjudicated or which could have been adjudicated, against all persons: “The judgment shall permanently enjoin the institution by any person of any action or proceeding raising any issue as to which the judgment is binding and conclusive.” No validation proceeding has been undertaken with respect to the Bonds.

## **PROPERTY TAXATION IN CALIFORNIA**

### **Property Tax Collection Procedures**

**Classification.** In the State, property which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” Secured and unsecured property are entered on separate parts of the assessment roll maintained by the County assessor. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens.

Generally, *ad valorem* taxes are collected by a county (the “Taxing Authority”) for the benefit of the various entities (cities, schools and special districts) that share in the *ad valorem* tax (each a taxing

entity) and successor agencies eligible to receive distributions from the respective Redevelopment Property Tax Trust Fund.

***Collections.*** Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The Taxing Authority has four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder's office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

***Penalty.*** A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

***Delinquencies.*** The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31.

***Supplemental Assessments.*** California Revenue and Taxation Code Section 75.70 provides for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Prior to the enactment of this law, the assessment of such changes was permitted only as of the next tax lien date following the change, and this delayed the realization of increased property taxes from the new assessments for up to 14 months. This statute provides increased revenue to the Redevelopment Property Tax Trust Fund to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Merged Project Area, pledged Tax Revenues may increase.

***Property Tax Administrative Costs.*** In 1990, the Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the cost of administering the provisions of the Dissolution Act, as well as the foregoing SB 1559 amounts, to be deducted from property tax revenues before monies are deposited into the Redevelopment Property Tax Trust Fund. The County's administrative charge to the Predecessor Agency and Successor Agency, together with certain charges relating to the dissolution of the Predecessor Agency were as shown in the table below for Fiscal Years 2012-13 and 2013-14. The SB 2557 charges were 0.51% of Adjusted Gross Revenue for Fiscal Year 2013-14. SB 2557 charges are projected by the Fiscal Consultant to continue to be 0.51% of Adjusted Gross Revenue in future years. The Fiscal Consultant has not projected the

Dissolution Act Administrative Costs since these will be based on the actual time taken by the County Auditor-Controller staff in any given year and cannot be reasonably projected.

<u>Fiscal Year</u>	<u>Redevelopment Property Tax Trust Fund Allocation</u>	<u>Dissolution Act Admin. Cost</u>	<u>SB 2557 Costs</u>	<u>Total County Admin.</u>	<u>Totals by Fiscal Year</u>
2013-14	Jan. 2014 (ROPS 13-14B)	\$64,623		\$ 64,623	\$274,298
	June 2014 (ROPS 14-15A)	50,585	\$159,090	209,675	
2014-15	Jan. 2015 (ROPS 14-15B)	141,531	25,162	166,693	421,446
	June 2015 (ROPS 15-16A)	73,696	181,057	254,753	

Source: HdL Coren & Cone.

**Statutory Pass-Through Amounts.** The payment of statutory pass-through amounts results from (i) plan amendments which add territory in existing project areas on or after January 1, 1994 and (ii) from plan amendments which eliminates one or more limitations within a redevelopment plan (such as the removal of the time limit on the establishment of loans, advances and indebtedness). The calculation of the amount due affected taxing entities is described in Sections 33607.5 and 33607.7 of the Redevelopment Law.

**Recognized Obligation Payment Schedule.** The Dissolution Act provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each six-month period, the Dissolution Act requires successor agencies to prepare and approve, and submit to the Successor Agency’s oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the Successor Agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Pledged Tax Revenues will not be distributed from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller to the Successor Agency’s Redevelopment Obligation Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to the January 2 or June 1 distribution dates, as applicable. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Recognized Obligation Payment Schedule” and “RISK FACTORS – Recognized Obligation Payment Schedule.”

### Unitary Property

Assembly Bill (“AB”) 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) is to be allocated county-wide as follows: (i) each tax rate area will receive that same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case values will be allocated to each tax rate area on a pro-rata basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a pro-rata share of the increase from each assessed utility according to a specified formula. Additionally, the lien date on State-assessed property is changed from March 1 to January 1.

AB 454 (Statutes of 1987, Chapter 921) further modifies chapter 1457 regarding the distribution of tax revenues derived from property assessed by the SBOE. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing

jurisdictions within each county in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

### **Article XIII A of the State Constitution**

Article XIII A limits the amount of *ad valorem* taxes on real property to 1% of “full cash value” of such property, as determined by the county assessor. Article XIII A defines “full cash value” to mean “the County Assessor’s valuation of real property as shown on the 1975-76 tax bill under ‘full cash value,’ or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” Furthermore, the “full cash value” of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIII A (i) exempts from the 1% tax limitation taxes to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978 or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional *ad valorem* taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues.

The validity of Article XIII A has been upheld by both the California Supreme Court and the United States Supreme Court.

In the general election held November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms “purchase” and “change of ownership,” for the purposes of determining full cash value of property under Article XIII A, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first \$1,000,000 of other property between parents and children. This amendment to Article XIII A may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIII A to permit the Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence assessed value to the new residence. As a result of the Legislature’s action, the growth of property tax revenues may decline.

Legislation enacted by the Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value (except as noted). Tax rates for voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

## **Appropriations Limitation – Article XIII B**

Article XIII B limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The “base year” for establishing such appropriations limit is the 1978-79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment Successor Agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by an Successor Agency of proceeds of taxes levied by or on behalf of an Successor Agency within the meaning of Article XIII B, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including Section 33678 of the Redevelopment Law. The constitutionality of Section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

## **Articles XIII C and XIII D of the State Constitution**

At the election held on November 5, 1996, Proposition 218 was passed by the voters of California. The initiative added Articles XIII C and XIII D to the State Constitution. Provisions in the two articles affect the ability of local government to raise revenues. The Bonds are secured by sources of revenues that are not subject to limitation by Proposition 218. See also “– Propositions 218 and 26” below.

## **Proposition 87**

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the State Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (not the Predecessor Agency or the Successor Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies.

## **Appeals of Assessed Values**

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner’s property by filing a written application, in a form prescribed by the SBOE, with the appropriate county board of equalization or assessment appeals board.

In the County, a property owner desiring to reduce the assessed value of such owner’s property in any one year must submit an application to the County Assessment Appeals Board (the “Appeals Board”). Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor’s Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal’s filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of

comparable values that the property continues to be overvalued (known as “ongoing hardship”), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the “base year” value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for “ongoing hardship” in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which pledged Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted. See “THE MERGED PROJECT AREA” for information regarding the assessed valuations of the largest taxpayers.

### **Proposition 8**

Proposition 8, approved in 1978 (California Revenue and Taxation Code Section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions under this code section may be initiated by the County Assessor or requested by the property owner. After a roll reduction is granted under this code section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. The Successor Agency cannot guarantee that reductions undertaken by the County Assessor or requested by a property owner pursuant to Proposition 8 will not in the future reduce the assessed valuation of property in the Merged Project Area and, therefore, pledged Tax Revenues that secure the Bonds.

### **Propositions 218 and 26**

On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIIC and XIID to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the “Supermajority Vote to Pass New Taxes and Fees Act.” Proposition 26 amended Article XIIC of the California Constitution by adding an expansive definition for the term “tax,” which previously was not defined under the California Constitution. Pledged Tax Revenues securing the Bonds are derived from property taxes which are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and outside of the scope of taxes which are limited by Proposition 26.

### **Future Initiatives**

Article XIII A, Article XIIB, Article XIIC and Article XIID and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures could be adopted, further affecting Successor Agency revenues or the Successor Agency’s ability to expend revenues.

## TAX MATTERS

### 2015 Series A Bonds

*General.* In the opinion of Aleshire & Wynder, LLP, Bond Counsel, based on existing statutes, regulations, rulings and court decisions, interest on the 2015 Series A Bonds is excludable from gross income for federal income tax purposes and is exempt from State personal income taxes. A copy of the proposed opinion of Bond Counsel is set forth in APPENDIX B.

The Internal Revenue Code of 1986 (the “Code”), imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2015 Series A Bonds. The Successor Agency has covenanted to comply with certain restrictions designed to assure that interest on the 2015 Series A Bonds will not be includable in federal gross income. Failure to comply with these covenants may result in interest on the 2015 Series A Bonds being includable in federal gross income, possibly from the date of issuance of the 2015 Series A Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the 2015 Series A Bonds may affect the value of, or the tax status of interest on the 2015 Series A Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the 2015 Series A Bonds. Prospective owners are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Bond Counsel is further of the opinion that interest on the 2015 Series A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Bond Counsel observes, however, that interest on the 2015 Series A Bonds is included in adjusted current earnings in calculating corporate alternative minimum taxable income.

Prospective purchasers of the 2015 Series A Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest with respect to the 2015 Series A Bonds, (ii) interest with respect to the 2015 Series A Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income, including interest with respect to the 2015 Series A Bonds, may be subject to federal income taxation under Section 1375 of the Code for subchapter S corporations having subchapter C earnings and profits at the close of the taxable year and gross receipts more than 25% of which constitute passive investment income, and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the 2015 Series A Bonds.

If the initial offering price to the public (excluding bond houses and brokers) at which a 2015 Series A Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a 2015 Series A Bond is sold is greater than the amount payable at maturity thereof, then the excess of the tax basis of a purchaser of such 2015 Series A Bond (other than a purchaser who holds such 2015 Series A Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) over the principal amount of such 2015 Series A Bond constitutes “original issue premium” for purposes of federal income taxes and State personal income taxes.

Under the Code, original issue discount is excludable from gross income for federal income tax purposes to the same extent as the interest on the 2015 Series A Bonds. Further, such original issue

discount accrues actuarially on a constant interest rate basis over the term of each such 2015 Series A Bond and the basis of such 2015 Series A Bond acquired at such initial offering price by an initial purchaser of each such 2015 Series A Bond will be increased by the amount of such accrued discount. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of such 2015 Series A Bonds who purchase such 2015 Series A Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such 2015 Series A Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such 2015 Series A Bonds. All holders of such 2015 Series A Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition to the extent that calculation of such loss is based on accrued original issue discount.

Under the Code, original issue premium is amortized for federal income tax purposes over the term of such a 2015 Series A Bond based on the purchaser's yield to maturity in such 2015 Series A Bond, except that in the case of such a 2015 Series A Bond callable prior to its stated maturity, the amortization period and the yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such 2015 Series A Bond. A purchaser of such a 2015 Series A Bond is required to decrease his or her adjusted basis in such 2015 Series A Bond by the amount of bond premium attributable to each taxable year in which such purchaser holds such 2015 Series A Bond. The amount of bond premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of such 2015 Series A Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the amount of bond premium attributable to each taxable year and the effect of bond premium on the sale or other disposition of such a 2015 Series A Bond, and with respect to the state and local tax consequences of owning and disposing of such a 2015 Series A Bond.

Certain agreements, requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in those documents, upon the advice or with the approving opinion of nationally recognized bond counsel. Bond Counsel expresses no opinion as to the effect on any 2015 Series A Bond or the interest payable with respect thereto if any change occurs or action is taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Although Bond Counsel has rendered an opinion that interest on the 2015 Series A Bonds is excludable from federal gross income, and is exempt from State personal income taxes, the ownership or disposition of the 2015 Series A Bonds, and the accrual or receipt of interest on the 2015 Series A Bonds may otherwise affect an Owner's state or federal tax liability. The nature and extent of these other tax consequences will depend upon each Owner's particular tax status and the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future rulings, court decisions, legislative proposals, if enacted into law, or clarification of the Code may cause interest on the 2015 Series A Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. For example, Representative Dave Camp, Chair of the House Ways and Means Committee released draft legislation that would subject interest on the 2015 Series A Bonds to a federal income tax at an effective rate of 10% or more for individuals, trusts, and estates in the highest tax bracket, and the Obama Administration proposed legislation that would limit the exclusion from gross income of interest on the 2015 Series A Bonds to some extent for high-income individuals. There can be no assurance that such future rulings, court decisions, legislative proposals, if enacted into law, or clarification of the Code enacted or proposed after the date of issuance of the 2015 Series A Bonds will not have an adverse effect on the tax exempt status or market price of the 2015 Series A Bonds.

***Internal Revenue Service Audit of Tax-Exempt Issues.*** The Internal Revenue Service ("IRS") has initiated an expanded program for the auditing of tax-exempt issues, including both random and



targeted audits. It is possible that the 2015 Series A Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2015 Series A Bonds might be affected as a result of such an audit of the 2015 Series A Bonds (or by an audit of similar obligations).

***Information Reporting and Backup Withholding.*** Information reporting requirements apply to interest (including original issue discount) paid after March 31, 2007 on tax-exempt obligations, including the 2015 Series A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2015 Series A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2015 Series A Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

## **2015 Series B Bonds and 2015 Series C Bonds**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming compliance with certain covenants, interest on the 2015 Series B Bonds and the 2015 Series C Bonds is exempt from State of California personal income taxes but is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or accrual or receipt of interest on, the 2015 Series B Bonds and the 2015 Series C Bonds.

The following discussion summarizes certain U.S. federal tax considerations generally applicable to beneficial owners of the 2015 Series B Bonds or the 2015 Series C Bonds that acquire their 2015 Series B Bonds or 2015 Series C Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. federal income tax consequences applicable to any given investor, nor does it address the U.S. federal income tax considerations applicable to categories of investors some of which may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders), such as certain U.S. expatriates, banks, real estate investment trusts, regulated investment companies, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors who hold their 2015 Series B Bonds or 2015 Series C Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, the following discussion does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a beneficial owner of 2015 Series B Bonds or 2015 Series C Bonds. In addition, this summary generally is limited to investors who become beneficial owners of 2015 Series B Bonds or 2015 Series C Bonds pursuant to this offering for the issue price that is applicable to such 2015 Series B Bonds or 2015 Series C Bonds (i.e., the price at which a substantial amount of the 2015 Series B Bonds or 2015 Series C Bonds is sold to the public) and who will hold their 2015 Series B Bonds or 2015 Series C Bonds as

“capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a 2015 Series B Bonds or 2015 Series C Bond who for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a 2015 Series B Bond or 2015 Series C Bond (other than a partnership) who is not a U.S. Holder. If a partnership is a beneficial owner of 2015 Series B Bonds or 2015 Series C Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships that are beneficial owners of 2015 Series B Bonds or 2015 Series C Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the 2015 Series B Bonds or 2015 Series C Bonds (including their status as U.S. Holders or Non-U.S. Holders).

### **U.S. Holders**

**Interest.** Interest on the 2015 Series B Bonds and the 2015 Series C Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

“Original issue discount” will arise for U.S. federal income tax purposes in respect of any 2015 Series B Bond or 2015 Series C Bond if its stated redemption price at maturity exceeds its issue price by more than a de minimis amount (as determined for tax purposes). For any 2015 Series B Bonds or 2015 Series C Bonds issued with original issue discount, the excess of the stated redemption price at maturity of that 2015 Series B Bond or 2015 Series C Bond over its issue price will constitute original issue discount for U.S. federal income tax purposes. The stated redemption price at maturity of a 2015 Series B Bond or 2015 Series C Bond is the sum of all scheduled amounts payable on that 2015 Series B Bond or 2015 Series C Bond other than qualified stated interest. U.S. Holders of 2015 Series B Bonds or 2015 Series C Bonds generally will be required to include any original issue discount in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders of 2015 Series B Bonds or 2015 Series C Bonds issued with original issue discount generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

“Premium” generally will arise for U.S. federal income tax purposes in respect of any 2015 Series B Bond or 2015 Series C Bond to the extent its issue price exceeds its stated principal amount. A U.S. Holder of a 2015 Series B Bond or 2015 Series C Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such 2015 Series B Bond or 2015 Series C Bond.

**Disposition of the 2015 Series B Bonds and the 2015 Series C Bonds.** Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the District), reissuance or other disposition of a 2015 Series B Bond or 2015 Series C Bond will be a taxable event for U.S. federal income tax purposes. In such event, a U.S. Holder of a 2015 Series B Bond or 2015 Series C Bond generally will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued

but unpaid interest on the 2015 Series B Bond or 2015 Series C Bond which will be taxed in the manner described above under “Interest”) and (ii) the U.S. Holder’s adjusted tax basis in the 2015 Series B Bond or 2015 Series C Bond (generally, the purchase price paid by the U.S. Holder for the 2015 Series B Bond or 2015 Series C Bond, increased by the amount of any original issue discount previously included in income by such U.S. Holder with respect to such 2015 Series B Bond or 2015 Series C Bond and decreased by any payments previously made on such 2015 Series B Bond or 2015 Series C Bond (other than payments of qualified stated interest) or decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. Defeasance of any 2015 Series B Bond or 2015 Series C Bond may result in a deemed reissuance thereof, in which event a beneficial owner of the defeased 2015 Series B Bond or 2015 Series C Bond generally will recognize taxable gain or loss equal to the difference between the amount realized from the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the beneficial owner’s adjusted tax basis in the 2015 Series B Bond or 2015 Series C Bond.

In the case of a non-corporate U.S. Holder of the 2015 Series B Bonds or 2015 Series C Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder’s holding period for the 2015 Series B Bonds or 2015 Series C Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

#### **Non-U.S. Holders**

Non-U.S. Holders should consult with their own tax counsel concerning the consequences of purchasing, holding, and disposing of any 2015 Series B Bonds or 2015 Series C Bonds.

***Information Reporting and Backup Withholding.*** Payments on the 2015 Series B Bonds and the 2015 Series C Bonds generally will be subject to U.S. information reporting and “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of 2015 Series B Bonds or the 2015 Series C Bonds may be subject to backup withholding at the current rate of 28% (subject to future adjustment) with respect to “reportable payments,” which include interest paid on the 2015 Series B Bonds or 2015 Series C Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the 2015 Series B Bonds or 2015 Series C Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) there has been a failure of the payee to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder’s federal income tax liability, if any provided that the required information is timely furnished to the IRS.

***Medicare Contribution Tax.*** Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Owners of the 2015 Series B Bonds and the 2015 Series C Bonds should consult with their own tax advisor concerning this additional tax, as it may apply to interest earned on the 2015 Series B Bonds and/or 2015 Series C Bonds as well as gain on the sale of a 2015 Series B Bond and/or 2015 Series C Bond

THE FOREGOING SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF 2015 SERIES B BONDS OR 2015 SERIES C BONDS IN LIGHT OF THE HOLDER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO ANY TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF 2015 SERIES B BONDS OR 2015 SERIES C BONDS, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS.

### **UNDERWRITING**

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated and Backstrom McCarley Berry & Co., LLC (collectively, the "Underwriters"). The Underwriters have agreed to purchase the Non-Housing Bonds at a price of \$\_\_\_\_\_ (being the principal amount of the Non-Housing Bonds of \$\_\_\_\_\_ plus an original issue premium of \$\_\_\_\_\_ and less an underwriters' discount of \$\_\_\_\_\_). The Underwriters will purchase all of the Non-Housing Bonds if any are purchased. The Underwriters have agreed to purchase the 2015 Series C Bonds at a price of \$\_\_\_\_\_ (being the principal amount of the 2015 Series C Bonds of \$\_\_\_\_\_ plus an original issue premium of \$\_\_\_\_\_ and less an underwriters' discount of \$\_\_\_\_\_). The Underwriters will purchase all of the 2015 Series C Bonds if any are purchased.

The Underwriters may over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at a level above that which may otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain dealers, institutional investors and others at prices lower than the public offering prices stated on the inside cover page hereto, and such public offering prices may be changed from time to time by the Underwriters.

### **FINANCIAL ADVISOR**

The Successor Agency has retained the Financial Advisor in connection with the authorization, issuance, sale and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Financial Advisor is an independent registered municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

### **VERIFICATION OF MATHEMATICAL ACCURACY**

The Verification Agent, an independent certificated public accountant, upon delivery of the Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them that were prepared by the Underwriters, relating to the sufficiency of monies deposited into the Escrow Funds created under the Escrow Agreements to redeem all of the outstanding Refunded Bonds on the Redemption Dates.

The report of the Verification Agent, will include the statement that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or date or information coming to its attention, subsequent to the date of its report.

## **LITIGATION**

There is no action, suit or proceeding known to the Successor Agency to be pending and notice of which has been served upon and received by the Successor Agency, or threatened, restraining or enjoining the execution or delivery of the Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Successor Agency taken with respect to any of the foregoing.

The Successor Agency has filed no lawsuits and is not involved in any current litigation in connection with the dissolution of redevelopment. However, there are numerous lawsuits pending that could have a material impact on tax revenues available for the Bonds. See “RISK FACTORS – Future Implementation of the Dissolution Act.”

## **RATINGS**

The Bonds are expected to be assigned an insured rating of “AA” (stable outlook) by Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services, LLC Company (“S&P”) upon the issuance of the Policy by the Bond Insurer. The Non-Housing Bonds have also been assigned an underlying rating of “A” by S&P. The 2015 Series C Bonds have also been assigned an underlying rating of “A” by S&P. The ratings reflect only the view of S&P as to the credit quality of the Bonds, and explanation of the significance of the ratings may be obtained from S&P. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

## **CONTINUING DISCLOSURE**

Pursuant to a Continuing Disclosure Agreement, dated as of July 1, 2015 (the “Continuing Disclosure Agreement”), by and between the Successor Agency and Willdan Financial Services as Dissemination Agent, the Successor Agency has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Successor Agency not later than March 31 following the end of the Successor Agency’s Fiscal Year (which Fiscal Year presently ends on June 30) (the “Annual Report”), commencing with the report for Fiscal Year 2014-15, and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of material events, if any, will be filed by the Successor Agency or its agent with the Municipal Securities Rulemaking Board on the Electronic Municipal Marketplace Access (“EMMA”) website. The specific nature of the information to be contained in the Annual Report and the notice of certain enumerated events is set forth in APPENDIX D – “FORM OF CONTINUING DISCLOSURE AGREEMENT.” These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

As of the date hereof, the Successor Agency is in compliance in all material respects with its continuing disclosure undertakings for the last five years; however, due to an administrative oversight, (1) certain audited financial statements with respect to Fiscal Years 2011-12, and 2012-13, were not timely filed; (2) certain annual reports for Fiscal Years 2011-12 and 2012-13 did not include all content required by the applicable disclosure undertaking; and (3) certain notices of listed events relating to changes in the ratings of certain of the Successor Agency’s then outstanding obligations were not timely filed. The Successor Agency has filed the audited financial statements which were not timely filed, has filed supplemental annual reports to correct the applicable omissions, and has filed listed event notices that were not timely filed in connection with rating changes on certain of its outstanding obligations. The

Successor Agency has established processes to ensure it will continue to timely file complete annual reports and listed event notices in the future.

#### **APPROVAL OF LEGAL PROCEEDINGS**

The issuance of the Bonds is subject to the approving opinion of Bond Counsel, to be delivered in substantially the form set forth in APPENDIX B. Certain legal matters also will be passed on by Norton Rose Fulbright US LLP, Los Angeles, California, Disclosure Counsel to the Successor Agency, and Jones Hall, A Professional Law Corporation, California, as Underwriters' Counsel.

**EXECUTION AND DELIVERY**

The execution and delivery of this Official Statement by its Executive Director has been duly authorized by the Successor Agency.

SUCCESSOR AGENCY TO THE REDEVELOPMENT  
AGENCY OF THE CITY OF RIALTO

By: \_\_\_\_\_  
Executive Director

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## APPENDIX A

### SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES

*The following is a brief summary of the provisions of the Housing Indenture and the Non Housing Indenture (collectively and individually referred to herein as the “Indenture”), and is supplemental to the summary of other provisions of such documents described elsewhere in this Official Statement. This summary does not purport to be comprehensive or definitive, and reference should be made to such documents for full and complete statements of its provisions. All capitalized terms used but not otherwise defined in this Appendix shall have the meanings assigned to such terms in the Indenture.*

#### Definitions

“Added Territory” means the territory added to the Project Area by Ordinance 1333, adopted July 2, 2002.

“Agency” means the Successor Agency to the Redevelopment Agency of the City of Rialto, a public body, duly organized and existing under and pursuant to the Law.

“Annual Debt Service” means, for each Bond Year, the sum of (1) the interest falling due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled , and (2) the principal amount of the Outstanding Bonds payable by their terms in such Bond Year, including mandatory sinking payments.

“Bond Proceeds Fund” means the fund by that name created pursuant to the Indenture.

“Bond Year” means the period of twelve consecutive months ending on September 1 in any year in which any Bond has not yet been retired and cancelled, provided that the first Bond Year shall commence on the date of issuance of the Bonds and end on the next September 1.

“Bonds” means the 2015 Series A Bonds, the 2015 Series B Bonds or the 2015 Series C Bonds, as applicable.

“Business Day” means a day of the year that is not a Saturday or Sunday, or a day on which banking institutions located in the State of California or the Federal Reserve system are required or authorized to remain closed.

“Certificate of the Agency” means an instrument in writing signed by the Chair, Vice Chair, Executive Director, Assistant Executive Director, Deputy Executive Director, or Treasurer of the Agency, or by any other officer of the Agency duly authorized by the Agency for that purpose.

“City” means the City of Rialto, California, a general law city and political subdivision organized under the laws of the State, and any successor thereto duly organized and existing under the laws of the State of California.

“Closing Date” or “Date of Delivery” means the date on which the Bonds are delivered by the Agency to the Original Purchaser.

“Code” means the Internal Revenue Code of 1986.

“Consultant’s Report” means a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including: (a) a statement that the person or firm making or giving such report has read the pertinent provisions of the Indenture to which such report relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the report is based; and, (c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of the Closing Date, executed by the Agency and the Dissemination Agent thereunder.

“Corporate Trust Office” means the corporate trust office of the Trustee at the address set forth in the Indenture, 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, or such other address specified by the Trustee from time to time.

“Costs of Issuance” means all the costs of executing and delivering the Bonds, including, but not limited to, Agency administrative costs and expenses directly attributable to the issuance of the Bonds, all printing and document preparation expenses in connection with the Indenture, the Bonds, and the Official Statement pertaining to the Bonds; rating agency fees; verification agent fees; fiscal consultant fees and expenses and redevelopment consultant fees and expenses; market study fees; legal fees and expenses of counsel with respect to the issuance of the Bonds and the Preliminary and final Official Statement; any accounting, computer and other expenses incurred in connection with the Bonds; the initial fees and expenses of the Trustee and its counsel and any paying agent (including, without limitation, origination or acceptance fees and first annual fees payable in advance); costs and fees relating to any bond insurance policy and/or reserve policy, and other fees and expenses incurred in connection with the execution and delivery of the Bonds, including amounts to reimburse the Agency for advances made for any of the foregoing, to the extent such fees and expenses are approved by the Agency.

“Costs of Issuance Fund” refers to the fund by that name created pursuant to the Indenture.

“County” refers to the County of San Bernardino, California.

“County Collection Fee” means the fee collected by the County of San Bernardino as tax collector from Gross Tax Revenues.

“Defeasance Securities” means:

- (a) cash;
- (b) non-callable direct obligations of the United States of America (“Treasuries”);
- (c) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank of 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 Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated;
- (d) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively; or

(e) securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof.

“Department of Finance” or “DOF” means the Department of Finance of the State of California.

“Depository” or “Securities Depository” means (a) initially, DTC, and (b) any other Securities Depositories acting as Depository pursuant to the Indenture.

“DTC” means The Depository Trust Company, New York, New York, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attn: Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Agency may designate in a Request of the Agency delivered by the Agency to the Trustee, and its successors and assigns.

“Events of Default” means any of the events described in the Indenture.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

“Federal Securities” means any direct, non-callable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

“Fiscal Year” means the period commencing on July 1 each year and terminating on the next succeeding June 30 or any other annual accounting period selected and designated by the Agency as its Fiscal Year in accordance with the Law and identified in writing by the Agency to the Trustee.

“Gross Tax Revenues” means taxes for each Bond Year (including all payments and reimbursements, if any, specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations) previously eligible for allocation to the Redevelopment Agency pursuant to the Redevelopment Law as provided in the Redevelopment Plan.

“Holder” or “Owner” means the registered owner of any Outstanding Bond.

“Housing Bonds” means the (i) 2015 Series C Bonds, (ii) the 2008 Series B Bonds, and (iii) any bonds issued to refund such 2015 Series C Bonds, 2008 Series B Bonds, or other refunding bonds thereof, similarly secured by amounts which, prior to the adoption of the Law, were required to be deposited into the Redevelopment Agency’s low and moderate income housing fund pursuant to Sections 33334.2, 33334.3, and 33334.6 of the Redevelopment Law.

“Housing Fund” or “Low and Moderate Income Housing Fund” means the Low and Moderate Income Housing Fund, established and held by the Redevelopment Agency pursuant to Section 33334.3 of the Redevelopment Law.

“Housing Indentures” means, collectively, (i) the Indenture of Trust, dated as of July 1, 2015 by and between the Agency and the Trustee in relation to the 2015 Series C Bonds, (ii) the Indenture of Trust, dated as of April 1, 2008 by and between the dissolved Redevelopment Agency and the predecessor Trustee in relation to the 2008 Series B Bonds, or any agreement governing the terms of Housing Bonds.

“Housing Obligation” means all moneys required pursuant to the Housing Indentures, or such similar provision of any document for annual debt service on Housing Bonds.

“Housing Set-Aside” means that portion of Gross Tax Revenues previously required under Section 33334.2 or 33334.6 of the Redevelopment Law to be deposited in the Housing Fund.

“Indenture” means, as applicable, (a) the Indenture of Trust, dated as of July 1, 2015 between the Agency and the Trustee with respect to the 2015 Series A Bonds and the 2015 Series B Bonds, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Indentures executed pursuant to the provisions thereof and/or (b) the Indenture of Trust, dated as of July 1, 2015 between the Agency and the Trustee with respect to the 2015 Series C Bonds, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Indentures executed pursuant to the provisions thereof

“Independent Certified Public Accountant” means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State of California, appointed by or acceptable to the Agency, and who, or each of whom: (a) is in fact independent and not under the domination of the Agency; (b) does not have any substantial interest, direct or indirect, with the Agency; and (c) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other audits or reports to the Agency.

“Independent Financial Consultant” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed by or acceptable to the Agency, who has engaged in the municipal financial consulting business in each of the three (3) calendar years immediately preceding the date of such appointment and who, or each of whom: (a) is in fact independent and not under the domination of the Agency; (b) does not have any substantial interest, direct or indirect, with the Agency or in the Bonds; and (c) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

“Independent Redevelopment Consultant” means a consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relating to tax allocation bond financing by California redevelopment agencies or successor agencies, appointed by or acceptable to the Agency who has engaged in such consulting business in each of the three (3) calendar years immediately preceding the date of such appointment, and who, or each of whom: (a) is judged by the Agency to have experience in matters relating to the collection of Tax Revenues or otherwise with respect to the financing of redevelopment projects; (b) is in fact independent and not under domination of the Agency; (c) does not have any substantial interest, direct or indirect, with the Agency; and (d) is not connected with the Agency as an officer or employee of the Agency, but who may be regularly retained to make reports to the Agency.

“Information Services” means Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board, at [www.emma.msrb.org](http://www.emma.msrb.org); provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services shall mean such other services providing information with respect to the redemption of Bonds as the Agency may designate in a Written Request of the Agency delivered to the Trustee.

“Insured Obligations” shall mean the Bonds with maturities of September \_\_\_ through September 1\_\_\_\_, which Bonds are insured by the Insurer under the Policy.

“Insurer” shall mean Build America Mutual Assurance Company, or any successor thereto.

“Interest Account” means the account by that name created pursuant to the Indenture.

“Interest Payment Date” means March 1 and September 1 of each year, commencing March 1, 2016.

“Investment Earnings” means all interest earned and any gains and losses on the investment of moneys in any fund of account created by the Indenture, including dividends and other earnings.

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as the Insurer, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to the Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

“Law” means Parts 1.8 and 1.85 of Division 24 of the Health and Safety Code of the State of California, as amended.

“Maximum Annual Debt Service” shall mean, as of any date of calculation, the largest Annual Debt Service for the current or any future Bond Year following the anticipated issuance of the Bonds.

“Moody’s” means Moody’s Investors Service of New York, New York, and its successors.

“Nominee” means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to the Indenture.

“Non-Housing Bonds” means the 2008 Series A Bonds, the 2008 Series C Bonds, the 2014 Series A Bonds, the 2015 Series A Bonds and the 2015 Series B Bonds.

“Original Purchasers” means Stifel, Nicolaus & Company, Incorporated and Backstrom McCarley Berry & Co., LLC, as original purchaser of the Bonds.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds except --

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of the Indenture; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Agency pursuant to the Indenture.

“Parity Debt” means, (a) with respect to the 2015 Series A Bonds and the 2015 Series B Bonds, the 2014 Series A Bonds, 2008 Series A Bonds, 2008 Series C Bonds, and any bonds, notes, interim certificates, debentures or other obligations or evidences of indebtedness issued by the Agency payable from Tax Revenues on a parity with the Bonds as permitted by the Indenture, and (b) with respect to the 2015 Series C Bonds, the Housing Bonds.

“Pass-Through Agreements” means each of the agreements with taxing entities referenced in Exhibit B of the Indenture, which, according to its terms, has a lien on Gross Tax Revenues which is senior to that of the Bonds.

“Permitted 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 (the Trustee is entitled to rely on written investment direction of the Agency as a determination that such investment is a legal investment):

(a) Federal Securities;

(b) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) obligations of the Federal Financing Bank; (iv) debentures of the Federal Housing Administration; (v) participation certificates of the General Services Administration; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of the Government National Mortgage Association; (vii) guaranteed Title XI financings of the U.S. Maritime Administration; (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development;

(c) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of the Federal National Mortgage Association (excluding stripped mortgage securities which are valued greater than par on the portion of unpaid principal); (iv) senior debt obligations of the Student Loan Marketing Association; (v) obligations (but only the interest component of stripped obligations) of the Resolution Funding Corporation; and (vi) consolidated system-wide bonds and notes of the Farm Credit System;

(d) money market funds (including funds of the Trustee or its affiliates) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of “AAAm-G”, “AAAm”, or “AAm”, and, if rated by Moody’s, rated Aaa, Aa1 or Aa2;

(e) certificates of deposit secured at all times by collateral described in (a) or (b) above, which have a maturity of one year or less, which are issued by commercial banks, savings and loan

associations or mutual savings banks, and such collateral must be held by a third party, and the Trustee must have a perfected first security interest in such collateral;

(f) certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates) which are fully insured by the Federal Deposit Insurance Corporation;

(g) investment agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements, which are general obligations of an entity whose long term debt obligations, or claims paying ability, respectively, is rated in one of the two highest rating categories by Moody's or S&P;

(h) commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P;

(i) bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(j) bank deposits, bank money-market funds, federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" and better by Moody's and "A-1" or "A" or better by S&P;

(k) repurchase agreements which provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date, which satisfy the following criteria:

(i) repurchase agreements must be between the Trustee and (A) a primary dealer on the Federal Reserve reporting dealer list which falls under the jurisdiction of the Securities Investors Protection Corporation which are rated "A" or better by Moody's and S&P, or (B) a bank rated "A" or better by Moody's and S&P;

(ii) the written repurchase agreement contract must include the following: (A) securities acceptable for transfer, which may be direct U.S. government obligations, or federal agency obligations backed by the full faith and credit of the U.S. government; (B) the term of the repurchase agreement may be up to 30 days; (C) the collateral must be delivered to the Trustee or a third party acting as agent for the Trustee simultaneous with payment (perfection by possession of certificated securities); (D) the Trustee must have a perfected first priority security interest in the collateral; (E) the collateral must be free and clear of third-party liens and, in the case of a broker which falls under the jurisdiction of the Securities Investors Protection Corporation, are not subject to a repurchase agreement or a reverse repurchase agreement; (F) failure to maintain the requisite collateral percentage, after a two day restoration period, will require the Trustee to liquidate the collateral; (G) the securities must be valued weekly, marked-to-market at current market price plus accrued interest and the value of collateral must be equal to 104% of the amount of cash transferred by the Trustee to the dealer bank or securities firm under the repurchase agreement plus accrued interest (unless the securities used as collateral are obligations of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, in which case the collateral must be equal to 105% of the amount of cash transferred by the Trustee to the dealer bank or securities firm under the repurchase agreement plus accrued interest). If the value of securities held as

collateral falls below 104% of the value of the cash transferred by the Trustee, then additional cash and/or acceptable securities must be transferred; and

(iii) a legal opinion must be delivered to the Trustee to the effect that the repurchase agreement meets guidelines under state law for legal investment of public funds;

(l) the Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

“Plan Limitations” means the limitations contained or incorporated in the Redevelopment Plan on (a) the aggregate principal amount of indebtedness payable from Tax Revenues which may be outstanding at any time, and (b) the aggregate amount of taxes which may be divided and allocated to the Agency pursuant to the Redevelopment Plan.

“Policy” shall mean the Municipal Bond Insurance Policy issued by the Insurer that guarantees the scheduled payment of principal of and interest on the Insured Obligations when due.

“Policy Costs” shall mean repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate.

“Principal Account” means the account by that name created pursuant to the Indenture.

“Project” means the undertaking of the Agency pursuant to the Redevelopment Plan and the Redevelopment Law for the redevelopment of the Project Area.

“Project Area” means the Project Area described and defined in the Redevelopment Plan.

“Recognized Obligation Payment Schedule” or “ROPS” means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (l) of Section 34177 of the Law.

“Record Date” means, with respect to any Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date.

“Redevelopment Agency” means the Redevelopment Agency of the City of Rialto, as predecessor to the Agency.

“Redevelopment Law” means the Community Redevelopment Law of the State, constituting Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto.

“Redevelopment Obligation Retirement Fund” means the fund by that name established pursuant to Section 34170.5(b) of the Law and administered by the Agency.

“Redevelopment Plan” means the Redevelopment Plan for the Industrial Redevelopment Project, adopted on July 7, 1979, by City Ordinance No. 782 and amended on December 6, 1994 by Ordinance No. 1224 and on July 2, 2002 by Ordinance No. 1332, the Redevelopment Plan for the Gateway Redevelopment Project, adopted on December 17, 1985, by City Ordinance No. 945 and amended on December 6, 1994 by Ordinance No. 1224 and on July 2, 2002 by Ordinance No. 1332, the Redevelopment Plan for the Agua Mansa Redevelopment Project, adopted on July 19, 1988, by City



Ordinance No. 1037 and amended on December 6, 1994 by Ordinance No. 1224 and on July 2, 2002 by Ordinance No. 1332, and the Redevelopment Plan for the Central Business District Redevelopment Project, adopted on June 5, 1990, by City Ordinance No. 1101 and amended on December 6, 1994 by Ordinance No. 1224 and on July 2, 2002 by Ordinance No. 1332, as all of which have been amended to form the Project Area and to add the Added Territory to the Project Area pursuant to an amendment adopted on July 2, 2002 by Ordinance No. 1333, and amended on April 19, 2004 by Ordinance No. 1348, and on April 5, 2005 by Ordinance No. 1370, together with any amendments thereof duly enacted.

“Redevelopment Property Tax Trust Fund” means the fund by that name established pursuant to Section 34170.5(a) of the Law and administered by the auditor controller of the County of San Bernardino.

“Refunding Bonds” means any bond issued for the purpose of refunding all or part of the Parity Debt.

“Registration Books” means the records maintained by the Trustee pursuant to the Indenture for the registration and transfer of ownership of the Bonds.

“Report” means a document in writing signed by an Independent Accountant or an Independent Redevelopment Consultant and including: (a) a statement that the person or firm making or giving such Report has read the pertinent provisions of the Indenture to which such Report relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and (c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable such person or firm to express an informed opinion with respect to the subject matter referred to in the Report.

“Request of the Agency” means a request in writing signed by the Chair, Executive Director, Treasurer or Secretary, on behalf of the Agency, or any other officer of the Agency duly authorized by the Agency for that purpose.

“Reserve Account” means the account by that name created pursuant to the Indenture.

“Reserve Policy” shall mean the Municipal Bond Debt Service Reserve Insurance Policy, issued by the Insurer, as the surety provider.

“Reserve Requirement” means, the least of (i) 10% of the original proceeds (within the meaning of section 148 of the Code) of the Bonds as of the Closing Date, (ii) 125% of the average Annual Debt Service as of the Closing Date with respect to the Bonds, or (iii) the Maximum Annual Debt Service with respect to the Bonds, so long as at the date of delivery of the Bonds, the 2015 Series A Bonds contribute no more than its pro-rata share of the Reserve Requirement, as required by the Code.

“SB 2557 Fee” means the administrative fee collected by the County from Gross Tax Revenues pursuant to SB 2557.

“School District” means the Rialto Unified School District.

“School District Cooperative Agreement” means the Cooperative Agreement, dated as of March 1, 2008, by and between the Agency and the School District.

“School District Pass-Through Agreement” means the Agreement for Payments in Lieu of Taxes, by and between the Rialto Unified School District and the Redevelopment Agency of the City of Rialto

dated July 18, 1989, as amended by Amendment No. 1 thereto, dated July 15, 2003, and as amended from time to time.

“Special Fund” means the fund by that name, established pursuant to the Indenture.

“S&P” or “Standard & Poor’s” means Standard & Poor’s Financial Services LLC and its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Successor Agency.

“State” means the State of California.

“Supplemental Indenture” means any indenture then in full force and effect that has been duly executed and delivered by the Agency and the Trustee, amendatory of or supplemental to the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

“Tax Revenues” means all of the Gross Tax Revenues remaining after (i) provision has been made for the payment of the Housing Set-Aside, (ii) payment, or provision for the payment, of amounts required to be paid pursuant to the Pass-Through Agreements (including payments under the School District Pass-Through Agreement as modified by the School District Cooperative Agreement), (iii) payment, or provision for the payment made to the County of San Bernardino of the SB 2557 Fee and the County Collection Fee, (iv) payment or provision for the payment of amounts reserved to taxing entities under Section 33607.5 or 33607.7 of the Redevelopment Law (including such payments to the School District made pursuant to the School District Cooperative Agreement), or any other payments under other provisions of the Redevelopment Law that have not been subordinated to debt service payments on the Bonds.

Tax Revenues additionally include monies deposited from time to time in the Redevelopment Property Tax Trust Fund, as provided in (a) paragraph (2) of subdivision (a) of Section 34183 of the Law, and (b) paragraph (1) of subdivision (a) of 34183 of the Law, excluding amounts that have not been subordinated to debt service payments on the Bonds pursuant to Section 34177.5(c). If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution and as limited or otherwise provided for in the Indenture.

Pursuant to the Law, Gross Tax Revenues are no longer required to be deposited in the Housing Fund previously established pursuant to Section 33334.3 of the Redevelopment Law (the “Prior Housing Deposit”). Accordingly, Tax Revenues shall be reduced by the amount not greater than the portion of the Prior Housing Deposit required to pay Housing Obligations.

For the purposes of the Indenture related to the 2015 Series C Bonds and this summary, the term Tax Revenues shall mean Housing Set-Aside.

“Trustee” means MUFG Union Bank, N.A., or any other financial institution that may at any time be substituted in its place as provided in the Indenture.

“2015 Series A Bonds” means the \$\_\_\_\_\_ original principal amount Redevelopment Agency of the City of Rialto Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series A (Tax-Exempt).

“2015 Series B Bonds” means the \$\_\_\_\_\_ original principal amount Redevelopment Agency of the City of Rialto Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series B (Taxable).

“2015 Series C Bonds” means the \$\_\_\_\_ original principal amount of Successor Agency to Redevelopment Agency of the City of Rialto Tax Allocation Housing Revenue Refunding Bonds (Merged Project Area) 2015 Series C (Taxable).

“2008 Series A Bonds” means the \$42,185,000 original principal amount of Redevelopment Agency of the City of Rialto Tax Allocation Bonds (Merged Project Area) 2008 Series A.

“2008 Series B Bonds” means \$29,600,000 original principal amount of Redevelopment Agency of the City of Rialto Tax Allocation Housing-Set Aside Bonds (Merged Project Area), 2008 Series B.

“2008 Series C Bonds” means the \$21,965,000 original principal amount Redevelopment Agency of the City of Rialto Tax Allocation Bonds (Merged Project Area) 2008 Series C (Taxable).

“Written Request of the Agency” means an instrument in writing signed by the Chair, Vice Chair, Executive Director, Assistant Executive Director, Deputy Executive Director, or Treasurer of the Agency, or by any other officer of the Agency duly authorized by the Agency for that purpose.

### **Pledge of Tax Revenues; Special Fund**

The Bonds and all Parity Debt shall be secured by a first lien on and pledge of all of the Tax Revenues equal to Annual Debt Service on the Bonds and annual debt service required for Parity Debt, as provided in the respective Parity Debt document. The Bonds are also secured by a first lien on and security interest in all moneys in the Special Fund held by the Trustee pursuant to the Indenture and in the funds or accounts so specified and provided for in the Indenture. An amount of Tax Revenues equal to Annual Debt Service on the Bonds for each Bond Year plus the amount, if any, necessary to restore the balance in the Reserve Account to the Reserve Requirement shall, so long as any Bonds shall be outstanding under the Indenture, be transferred when and as received by the Agency to the Trustee and deposited in the Special Fund, which is created under the Indenture and which fund the Trustee covenants and agrees to maintain. The Series 2015 C Bonds and Parity Debt are secured by a subordinate pledge of Tax Revenues (as defined in the Indenture with respect to the 2015 Series C Bonds) not required to pay Non-Housing Obligations. The 2015 Series A Bonds and the 2015 Series B Bonds and Parity Debt are secured by a subordinate pledge of the Prior Housing Deposit not required to pay Housing Obligations.

### **Receipt and Deposit of Tax Revenues**

The Agency covenants and agrees that Tax Revenues equal to Annual Debt Service on the Bonds for each Bond Year plus the amount, if any, necessary to restore the balance in the Reserve Account to the Reserve Requirement, when and as received, will be received by the Agency in trust under the Indenture and transferred to the Trustee to be deposited in the Special Fund held under the Indenture by the Trustee and accounted for through and held in trust in the Special Fund, and the Agency shall have no beneficial right or interest in any of such money, except only as in the Indenture provided. All such Tax Revenues, whether received by the Agency in trust or deposited with the Trustee, all as in the Indenture provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes in the Indenture set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency.

## **Establishment and Maintenance of Accounts for Use of Money in the Special Fund.**

All moneys in the Special Fund held by the Trustee shall be set aside in the following respective special accounts within the Special Fund (each of which is created and each of which the Agency covenants and agrees to cause to be maintained with the Trustee), in the following order of priority:

- (a) Interest Account;
- (b) Principal Account; and
- (c) Reserve Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes and in the priority authorized in the Indenture.

Interest Account. At least five (5) business days prior to March 1 and September 1 of each year, commencing on March 1, 2016, the Trustee shall set aside from the Special Fund and deposit in the Interest Account an amount of money that, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the next succeeding Interest Payment Date. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the next succeeding Interest Payment Date. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Outstanding Bonds as it shall become due and payable (including accrued interest on any Outstanding Bonds purchased or redeemed prior to maturity).

Principal Account. At least five (5) days prior to September 1 of each year, commencing on the date set forth in the Indenture, the Trustee shall set aside from the Special Fund and deposit in the Principal Account an amount of money that, together with any money contained therein, is equal to the aggregate amount of the principal of all Outstanding Bonds becoming due and payable on the next succeeding principal payment date, including sinking fund payments. In the event that there shall be insufficient money in the Special Fund to make in full all such principal payments required to be made pursuant to the Indenture at any one time, then the available money shall be applied pro rata to the making of such principal payments in the proportion which all such principal payments bear to each other.

No deposit need be made into the Principal Account if the amount contained therein is at least equal to the aggregate amount of the payment of principal of all Outstanding Bonds to be paid on the next succeeding principal payment date.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Outstanding Bonds as it shall become due and payable.

Reserve Account. The Reserve Account shall be initially funded by the Reserve Policy. On or before September 1 of each year, commencing September 1, 2016, the Trustee shall set aside from the Special Fund and deposit in the Reserve Account the amount of money, if any, that is necessary to restore the balance in the Reserve Account to the full amount of the Reserve Requirement based upon the market value of the cash and securities held in the Reserve Account on or before such September 1. No deposit need be made in the Reserve Account so long as there shall be on deposit therein a value not less than the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account and the Principal Account, in such order, in the event of any deficiency at any time in any of such accounts, or for the purpose of paying the interest on or principal of or redemption premiums and price upon mandatory redemption, if any, on the Bonds in the

event that no other money of the Agency is lawfully available therefor, or for the retirement of all Bonds then Outstanding, except that for so long as the Agency is not in default under the Indenture, any amount in the Reserve Account in excess of the amount required by this paragraph to be on deposit therein shall, unless otherwise directed in a Written Request of the Agency, be withdrawn from the Reserve Account by the Trustee and transferred to the Special Fund on or before March 1 and September 1 of each year.

Notwithstanding any provision of the Indenture to the contrary, all or any portion of the Reserve Requirement for the Bonds may be satisfied by the provision of a policy of insurance, a surety bond, a letter of credit or other comparable credit facility (collectively referred to in the Indenture as a "Credit Facility"), or a combination thereof, which, together with moneys on deposit in the Reserve Account, provide an aggregate amount equal to the Reserve Requirement; provided, that the provider of any such policy of insurance, surety bond, letter of credit or other comparable credit facility must be rated in one of the two highest rating categories by Moody's Investors Service or S&P, without regard to modifier, at the time of delivery of such credit facility. Upon deposit of a surety bond, a letter of credit or other comparable credit facility, or a combination thereof, the Trustee shall transfer any excess amounts then on deposit in the Reserve Account into a segregated account of the Special Fund, which monies shall be applied at the written direction of the Agency, to the redemption of Bonds on the earliest succeeding date on which such redemption is permitted by the Indenture, and pending such application shall be held either not invested in investment property (as defined in section 148(b) of the Code), or invested in such property to produce a yield that is not in excess of the yield on the Bonds; provided, however, that the Agency may by written direction to the Trustee cause an alternative use of such amounts if the Agency shall first have obtained a written opinion of nationally recognized bond counsel substantially to the effect that such alternative use will not adversely affect the exclusion pursuant to section 103 of the Code of interest on the 2015 Series A Bonds from the gross income of the owners thereof for federal income tax purposes.

On or after September 2 of each year, commencing September 2, 2016, after transfer of moneys to the Reserve Account necessary to restore the balance in the Reserve Account to the Reserve Requirement, all moneys in the Special Fund and the accounts therein shall, upon the Written Request of the Agency, be transferred to the Agency to be used by the Agency for any lawful purposes. Notwithstanding the foregoing, any moneys available for transfer to the Agency pursuant to the Indenture shall, upon the Written Request of the Agency, be used by the Trustee to purchase Outstanding Bonds at such prices as shall be specified in writing by the Agency.

### **Other Funds and Accounts**

Redemption Fund. The Agency may at any time transfer moneys to the Trustee for deposit into the Redemption Fund for the purpose of redeeming Bonds in accordance with the terms of the Indenture. All amounts deposited in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds, in the manner and upon the terms and conditions specified in the Indenture, at the next succeeding date of redemption for which notice can be timely given and at the redemption prices then applicable to redemptions from the Redemption Fund; provided that, at any time prior to selection of Bonds for redemption, the Trustee upon Written Request of the Agency shall apply such amounts to the purchase of Bonds by the Agency at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed by the Agency, except that the Agency shall not direct such purchase if the purchase price (exclusive of accrued interest) exceeds the redemption price (inclusive of premium, if any) of such Bonds. One or more Supplemental Indentures may provide for the establishment of subaccounts within the Redemption Fund for the redemption or purchase of Bonds of particular Series from moneys allocable to such Series and required by a Supplemental Indenture to be deposited into such subaccount.

Costs of Issuance Fund. The moneys in the Costs of Issuance Fund shall be used to pay Costs of Issuance upon receipt by the Trustee on the Closing Date of directions as to the payment of Costs of Issuance, and thereafter upon receipt by the Trustee of one or more Written Requests of the Agency (which may be in the form of a facsimile or sent via electronic mail) stating the name of the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against the Costs of Issuance Fund. On the date that is 180 days after the date of issuance of the Bonds, or earlier upon receipt of a Written Request of the Agency therefor, the Trustee shall transfer any moneys then remaining in the Costs of Issuance Fund to the Special Fund to be used as provided in the Indenture, and the Costs of Issuance Fund will be closed.

### **Deposit and Investment of Moneys in Funds and Accounts**

All money held by the Trustee in any of the accounts or funds established pursuant to the Indenture shall be invested in Permitted Investments at the Written Request of the Agency (which may be in the form of a facsimile or electronic mail). Investments purchased with funds on deposit in the Reserve Account shall have an average aggregate weighted term to maturity not greater than five years; provided, however, Permitted Investments described in clause (g) of the definition thereof that allow for withdrawal at par and without penalty may have an aggregate weighted term to maturity of greater than five years. The Trustee may commingle the funds and accounts established under the Indenture for investment purposes, but shall nevertheless account for each separately. In the absence of written investment instructions from the Agency, the Trustee shall hold all funds uninvested. Subject to the terms of any Supplemental Indenture, all interest or profits received on any money held in any fund or account by the Trustee, other than the Reserve Account, shall be deposited and held in the Special Fund and transferred to the various subaccounts as provided in the Indenture. All interest and profits received on any money held in the Reserve Account shall be retained therein to the extent required to maintain the Reserve Requirement and, to the extent not so required, shall be deposited, when available, in the Special Fund. The Trustee or any of its affiliates may act as principal or agent in the acquisition or disposition of investments under the Indenture and shall be entitled to its customary fees therefor.

The Trustee shall not be liable for any loss from any such investments. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any Permitted Investments hereunder.

The Trustee shall furnish the Agency periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Agency. Upon the Agency's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Agency waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Agency further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

### **Valuation and Disposition of Investments**

Except as otherwise provided in the next sentence, the Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to the Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued by the Agency (as of the date that valuation is required by the Indenture or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the Agency at their present value (within the meaning of section 148 of the Code).

## **Covenants of the Agency**

Punctual Payment. The Agency will punctually pay the interest on and principal of and redemption premiums, if any, to become due with respect to the Bonds, in strict conformity with the terms of the Bonds and of the Indenture and will faithfully satisfy, observe and perform all conditions, covenants and requirements of the Bonds and of the Indenture.

The Agency will take all actions required under the Law to include on the Recognized Obligation Payment Schedule(s) all payments to the Trustee to satisfy the requirements of the Indenture, including any amounts required under the Indenture to replenish the Reserve Account to the full amount of the Reserve Requirements with respect to the Bonds including, if applicable, all amounts payable to Insurer as provider of the Reserve Policy.

Use of Proceeds. The Agency covenants and agrees that the proceeds of the sale of the Bonds will be deposited and used as provided in the Indenture.

Prohibition on Prior Debt. The Agency covenants and agrees that it will not issue any obligations payable, either as to principal or interest, or enter into any other agreement payable from the Tax Revenues which have, or purport to have, any lien upon the Tax Revenues prior or superior to the lien of the Bonds authorized under the Indenture and the Agency represents that it does not have outstanding any bonded indebtedness which is secured by a lien on the Tax Revenues superior to the lien of the respective Bonds on the Tax Revenues. Except as permitted by the Indenture, the Agency will not issue any obligations or enter into any other agreement payable as to principal or interest or otherwise, from the Tax Revenues, which have, or purport to have, any lien upon the Tax Revenues on a parity with the Bonds authorized under the Indenture. The foregoing shall not prevent the Agency or the City (i) from issuing and selling pursuant to law, refunding obligations payable from the Tax Revenues on a parity with the respective Bonds, if the proceeds thereof are sufficient for the purpose of refunding all or a portion of the Outstanding respective Bonds (subject to the Indenture), subject to the provisions of the Indenture or (ii) from issuing and selling obligations which have, or purport to have, any lien upon the Tax Revenues which is junior to the respective Bonds or (iii) from issuing and selling bonds or other obligations which are payable in whole or in part from sources other than the Tax Revenues; provided that no such issuance shall cause the Agency to violate the Law or any limitations contained in the Redevelopment Plan or under the Indenture. "Obligations" includes without limitation bonds, notes, interim certificates, debentures, or other obligations.

Extension or Funding of Claims for Interest. In order to prevent any claims for interest after maturity, the Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any Bonds and will not, directly or indirectly, be a party to or approve any such arrangements by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Agency, such claim for interest so extended or funded shall not be entitled, in case of default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Management and Operation of Properties. The Agency will manage and operate all properties owned by the Agency and constituting any part of the Project in a sound and business-like manner and in conformity with all valid requirements of any governmental authority relative to the Project or any part thereof, and will keep such properties insured at all times in conformity with sound business practice.

Payment of Claims. The Agency will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the

Agency or upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds; provided that nothing in the Indenture contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such claims.

Books and Accounts; Financial and Project Statements. The Agency will keep proper books of record and accounts, separate from all other records and accounts of the Agency, in which complete and correct entries shall be made of all transactions relating to the Project and the Redevelopment Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee or of the Holders of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding or their representatives authorized in writing.

The Agency will prepare and file with the Trustee annually as soon as practicable, but in any event not later than one hundred eighty (180) days after the close of each Fiscal Year, so long as any Bonds are Outstanding, an audited financial statement of the Agency relating to the Special Fund and all other funds or accounts established pursuant to the Indenture for the preceding Fiscal Year, prepared by an Independent Certified Public Accountant, showing the balances in each such fund as of the beginning of such Fiscal Year and all deposits in and withdrawals from each such fund during such Fiscal Year and the balances in each such fund as of the end of such Fiscal Year, which audited financial statement shall include a statement as to the manner and extent to which the Agency has complied with the provisions of the Indenture as it relates to such funds. The Agency will furnish a copy of such audited financial statement to any Holder upon request, to the Trustee and to investment bankers, security dealers and others interested in the Bonds.

The Trustee has no duty or obligation to review such audited financial statements or summary statements filed with it pursuant to the Indenture.

Protection of Security and Rights of Holders. The Agency will preserve and protect the security of the Bonds and the rights of the Holders, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Bonds by the Agency, such Bonds shall be incontestable by the Agency.

Payment of Taxes and Other Charges. Subject to the provisions of the Indenture, the Agency will pay and discharge all taxes, service charges, assessments and other governmental charges which may be lawfully imposed upon the Agency or any properties owned by the Agency in the Project Area, or upon the revenues therefrom, when the same shall become due; provided that nothing in the Indenture contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such taxes, service charges, assessments or other governmental charges.

Taxation of Leased Property. Whenever any property in the Project is redeveloped by the Agency subsequent to the Closing Date and thereafter is leased by the Agency to any person or persons, or whenever the Agency leases any real property in the Project to any person or persons for redevelopment, and in either event, such leased property comprises more than ten percent (10%) of the land area within the Project Area, the property shall be assessed and taxed in the same manner as privately owned property (in accordance with the Law), and the lease or contract shall provide (1) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of the leasehold interest, and (2) that if for any reason the taxes paid by the lessee on such property in any year during the term of the lease shall be less than the taxes that would have been payable upon the entire property if the property were assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Agency within thirty (30) days after the taxes for such year become payable, and in any event prior to the delinquency date of such taxes established by law, which such payments shall be treated as Tax Revenues and shall be deposited by the Agency in the Special



Fund; provided, however, that this does not apply to finance leases between the Agency and the City or to any lessee which is a joint powers agency or a public entity formed to facilitate lease financings for the City.

Disposition of Property in Project Area. Except for housing owned by the Agency, the Agency will not authorize the disposition of any real property in the Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except for public ownership or use contemplated by the Redevelopment Plan in effect on the date of execution and delivery of the Indenture, or property to be used for public streets or public off-street parking facilities or easements or rights of way for public utilities, or other similar uses) if such dispositions, together with all similar prior dispositions on or subsequent to the effective date of the Indenture, shall comprise more than ten percent (10%) of the land area in the Project Area or if such dispositions would cause the Tax Revenues to fall below one hundred twenty percent (120%) of Maximum Annual Debt Service and maximum annual debt service with respect to any Parity Debt. If the Agency proposes to make any such disposition which, together with all similar dispositions on or subsequent to the effective date of the Indenture, shall comprise more than ten percent (10%) of the land area in the Project Area or more than ten percent (10%) of the total assessed valuation of property in the Project Area or if such dispositions would cause the Tax Revenues to fall below one hundred twenty percent (120%) of Maximum Annual Debt Service and maximum annual debt service with respect to any Parity Debt, it may appoint an Independent Redevelopment Consultant and direct such consultant to submit a Consultant's Report on the effect of such proposed disposition. If the Consultant's Report concludes that the taxes from the Project Area eligible for allocation to the Agency under the Law will not be materially reduced by such proposed disposition, the Agency may make such proposed disposition.

Amendment of Redevelopment Plan. The Agency shall comply with all terms of the Redevelopment Plan. If the Agency proposes to amend the Redevelopment Plan, and such amendment is permitted under the Redevelopment Law and the Law, it shall appoint an Independent Redevelopment Consultant and direct such consultant to submit a Consultant's Report on the effect of such proposed amendment. If the Consultant's Report concludes that the taxes from the Project Area eligible for allocation to the Agency under the Redevelopment Law and the Law will not be materially reduced by such proposed amendment, the Agency may make such amendment. If the Consultant's Report concludes that the taxes from the Project Area eligible for allocation to the Agency under the Redevelopment Law and the Law will be materially reduced by such proposed amendment, the Agency shall not make such proposed amendment.

Tax Revenues; Pass-Through Agreements. The Agency shall not approve, execute or deliver any agreement, or approve, execute or deliver or otherwise agree to any amendment, modification or supplement to any of the Pass-Through Agreements or any other tax sharing agreements, which will reduce, or would have the effect of reducing, the Tax Revenues.

The Agency shall further comply with all requirements under the Law required for it to receive any allocation by the County Auditor-Controller from the Redevelopment Property Tax Trust Fund which would have been received by the Agency under Section 33401, 33492.140, 33607, 33607.5, 33607.7, or 33676 of the Redevelopment Law, as those sections read on January 1, 2011, or pursuant to any Pass-Through Agreement between the Redevelopment Agency and a taxing entity that was entered into prior to January 1, 1994, and that would be in force during the respective Fiscal Year had the Redevelopment Agency not been dissolved and to the extent there are insufficient Tax Revenues to make the payments required pursuant to the Indenture and Parity Debt for each six month period. Such requirement shall include, without limitation, that the Agency report, no later than each December 1 and May 1, to the County Auditor-Controller that the total amount available to the Agency from the Redevelopment Property Tax Trust Fund allocation to the Agency's Redevelopment Obligation Retirement Fund, from other funds transferred from each redevelopment agency, and from funds that have or will become

available through asset sales and all redevelopment operations, are insufficient to fund the payments required by Section 34183(a)(1) to (4) of the Law in the next sixth month period, in order to allow the County Auditor-Controller to notify the Controller and the Department of Finance no later than 10 days from the date of that notification. The Agency shall also notify the County Auditor Controller if the Agency, pursuant to the provisions of Section 33492.15, 33492.72, 33607.5, 33671.5, 33681.15, or 33688 or as expressly provided in a pass-through agreement entered into pursuant to Section 33401, made pass-through payment obligations subordinate to debt service payments required for servicing the Bonds and Parity Debt. The Agency shall also take such action as required to receive any pass through payment amounts subordinated to the debt service on the Bonds pursuant to Section 34177.5(c) to the extent there are insufficient payments to pay debt service on the Bonds and Parity Debt.

Further Assurances. The Agency will adopt, make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in the Indenture.

Continuing Disclosure. The Agency covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Agency to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default under the Indenture; however, the Trustee at the written request of the Owners of at least 25% of the aggregate amount of Bonds then Outstanding shall (but only to the extent the Trustee has been indemnified to its satisfaction from any loss, liability, cost or expense whatsoever, including, without limitation, fees and expenses of its attorneys and additional fees and expenses of the Trustee), and any Bond Holder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency to comply with its obligations under this covenant. For purposes of this covenant, “Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

Receipt of Tax Allocation Revenues. The Agency covenants in the Indenture that it will annually review the total amount of tax increment revenues remaining available to be received by the Agency under the Redevelopment Plan’s cumulative tax increment limitations, as well as future cumulative Annual Debt Service and annual debt service with respect to Parity Debt. If, based on its reasonable projections of tax increment revenue receipts, the amount remaining under the Redevelopment Plan’s cumulative tax increment limitations is expected to fall below the remaining cumulative Annual Debt Service and the annual debt service with respect to Parity Debt, the Agency shall include an amount of tax increment revenues as necessary in the next succeeding ROPS, or otherwise in accordance with the procedures set forth in the Law, and deposit such amount once received in escrow to be applied for Annual Debt Service or annual debt service with respect to outstanding Parity Debt, including optional redemption.

So long as Insurer insures the Insured Obligations, the Agency shall not allow the amount of future cumulative Annual Debt Service and future cumulative annual debt service with respect to Parity Debt to exceed 95 percent of the Remaining Limitation Amount. The “Remaining Limitation Amount” shall be calculated as follows: (i) the aggregate amount of the tax increment revenues that are permitted to be collected under the Redevelopment Plan less (ii) the gross amount of tax increment revenues collected to July 1 of each Fiscal Year (each a “Remaining Limitation Amount Calculation Date”). The Agency shall calculate the Remaining Limitation Amount on or about the Remaining Limitation Amount Calculation Date and provide such calculation to the Insurer. If, on the Remaining Limitation Amount Calculation Date, 95 percent of the Remaining Limitation Amount is projected to be exceeded in any Fiscal Year, the Agency shall (a) promptly notify the Insurer of such fact in writing (b) redeem, in

accordance with the optional redemption provisions of the Indenture, an amount of outstanding Bonds on or after the first optional redemption date, or an amount of Parity Debt in accordance with the provisions and dates set forth in the applicable indenture for such Parity Debt, necessary in each Fiscal Year so that future cumulative Annual Debt Service and future cumulative annual debt service with respect to Parity Debt shall not exceed 95 percent of the Remaining Limitation Amount and (c) include all amounts necessary for the optional redemption as necessary in the next succeeding ROPS, or otherwise in accordance with the procedures set forth in the Law.

Notwithstanding the foregoing, if legislation is adopted by the legislature of the State of California eliminating the effective limit on the amount of taxes which can be allocated to the Agency pursuant to the Redevelopment Law and the Redevelopment Plan, or if a final non-appealable decision of a court of law with jurisdiction over these proceedings concludes that the Plan Limitations do not apply, or as otherwise determined to be legally permissible, the deposit of tax increment revenues in escrow required by the Indenture for the purpose of paying debt service on the Bonds and Parity Debt and any additional bonds or obligations superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds and Parity Debt shall no longer be required.

Tax Covenants. The Agency covenants that it shall not take any action, nor shall it use, and shall not permit the use of, and shall not omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, could cause the interest on any 2015 Series A Bonds to fail to be excluded pursuant to Section 103(a) of the Code from the gross income, of the owner thereof for federal income tax purposes.

Compliance with the Law. The Agency covenants that in addition to the covenants set forth in the Indenture, it will comply with all other requirements of the Law as it relates to the dissolution of redevelopment agencies. Without limiting the generality of the foregoing, the Agency covenants and agrees to file all required statements and hold all public hearings required under the Law to assure compliance by the Agency with its covenants under the Indenture. Pursuant to Section 34177 of the Health and Safety Code, not less than 90-days prior to each January 2 and June 1 (or such other dates as are specified in the Health and Safety Code or other applicable law), the Agency shall prepare and submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule, pursuant to which enforceable obligations of the Agency are listed including, with respect to the Bonds and any outstanding Parity Debt. The Agency shall take all actions necessary or advisable under the Dissolution Act to include on each applicable Recognized Obligation Payment Schedule all payments required under the Indenture, including without limitation (i) all amounts required under the Indenture and (ii) any amount necessary to cure a deficiency in the Reserve Account. The Recognized Obligation Payment Schedule submitted 90-days prior to each January 2 (or such other date as required by law) shall include the full amount of pledged Tax Revenues required to be deposited pursuant to the Indenture. In order to fulfil the obligation in the previous sentence, the Agency shall, to the extent necessary, include the amounts to be held by the Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Law, that are necessary to provide for the deposits required under the Indenture.

Pursuant to the Law, money in the Redevelopment Property Tax Trust Fund distributed to the Agency is deposited in the Redevelopment Obligation Retirement Fund of the Agency. Pursuant to the priority listed in Health and Safety Code Section 34183(a)(2)(A)-(C) and 34183(a)(3) or 34183(a)(4), Tax Revenues transferred by the County Auditor for deposit in the Redevelopment Obligation Retirement Fund on June 1 and January 2 of each year shall immediately be transferred to the Special Fund in accordance with the Indenture with respect to the Bonds and any Parity Debt.

## **Amendment of the Indenture**

The Indenture and the rights and obligations of the Agency and of the Holders of the respective Bonds may be amended at any time (only if such amendment affects the Bonds), by a supplemental indenture, which shall become binding when the written consent of the Holders of sixty percent (60%) or more in aggregate principal amount of the respective Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Indenture, are filed with the Trustee. No such amendment shall (1) extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Agency to pay the interest or principal or redemption premium, if any, at the time and place and at the rate and in the currency provided in the Indenture of any Bond, without the express written consent of the Holder of such Bond, or (2) permit the creation by the Agency of any mortgage, pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds other than as provided for in the Indenture, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify the rights or obligations of the Trustee without its prior written assent thereto.

The Indenture and the rights and obligations of the Agency and of the Holders of the respective Bonds may also be amended at any time, by a supplemental indenture, which shall become binding upon execution and delivery, without the consent of any Holders thereof, but only to the extent permitted by law and only for any one or more of the following purposes:

(a) To add to the covenants and agreements of the Agency contained in the Indenture, other covenants and agreements thereafter to be observed, or to surrender any right or power in the Indenture reserved to or conferred upon the Agency;

(b) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture, as the Agency may deem necessary or desirable and not inconsistent with the Indenture, and which shall not adversely affect the interest of the Holders; or

(c) To provide for the issuance of any Parity Debt, and to provide the terms and conditions under which such Parity Debt may be issued, subject to and in accordance with the provisions of Article III.

## **Disqualified Bonds**

Unless all Bonds Outstanding are then so owned or held, Bonds owned or held by or for the account of the Agency shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in the Indenture, and shall not be entitled to consent to, or take any other action provided for in the Indenture. Upon request, the Agency shall certify to the Trustee which Bonds are being held by or for the account of the Agency. The Trustee may conclusively rely upon such certification.

## **Amendment by Mutual Consent**

The provisions of the Indenture shall not prevent any Holder from accepting any amendment as to the particular Bonds held by such Holder, provided that due notation thereof is made on such Bonds.

## **Events of Default**

The following events are “Events of Default” under the Indenture:

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

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

(c) Default by the Agency in the observance of any of the other agreements, conditions or covenants on its part in the Indenture or in the Bonds or Parity Debt contained, and such default shall have continued for a period of thirty (30) days after the Agency shall have been given notice in writing of such default by the Trustee; provided, however, that if in the reasonable opinion of the Agency, provided to the Trustee in writing, the failure stated in such notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Agency within such thirty (30) day period and diligently pursued until such failure is corrected; or

(d) The Agency shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Agency or of the whole or any substantial part of its property.

## **Remedies**

If any Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, upon the written request of the Holders of not less than twenty-five per cent (25%) in aggregate principal amount of the Bonds at the time Outstanding, shall, upon notice in writing to the Agency, declare the principal of all of the Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable.

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest at the rate of ten per cent (10%) per annum on such overdue installments of principal and interest, and the reasonable fees and expenses of the Trustee, including but not limited to the fees and expenses of its attorneys and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Holders of at least twenty-five per cent (25%) in aggregate principal amount of the Bonds then Outstanding, by written notice to the Agency and to the Trustee, may, on behalf of the Holders of all of the Bonds, rescind and annul such declaration and its consequences. No such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

## **Application of Funds Upon Acceleration**

All moneys in the funds and accounts provided for in the Indenture upon the date of the declaration of acceleration by the Trustee, and all Tax Revenues thereafter received by the Agency under the Indenture, shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:

First, to the payment of the fees, costs and expenses of the Trustee in providing for the declaration of such event of default, including reasonable compensation to its agents, attorneys and counsel, and to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of the Indenture, including reasonable compensation to its agents, attorneys and counsel and any outstanding fees and expenses of the Trustee;

Second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on the overdue interest and principal at the rate of ten per cent (10%) per annum, and in case such money shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue interest and principal without preference or priority among such interest, principal and interest on overdue interest and principal, ratably to the aggregate of such interest, principal and interest on overdue interest and principal.

## **Rights and Remedies of Bond Owners**

No Holder of any Bond issued under the Indenture shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Indenture, unless (a) such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Holders of at least twenty-five per cent (25%) in aggregate principal amount of all Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers granted or to institute such action, suit or proceeding in its own name; (c) said Holders shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request has been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

## **Remedies Not Exclusive**

No remedy in the Indenture conferred upon or reserved to the Holders with respect to Bonds 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 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 Law or any other law.

## **Defeasance**

If the Agency shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all 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 Holders of such Bonds shall cease to be entitled to the pledge of Tax Revenues, and all covenants, agreements and other obligations of the Agency to the Holders of such Bonds under the Indenture shall thereupon cease, terminate and become void and be

discharged and satisfied. Upon the discharge of the Bonds, the Trustee shall execute and deliver to the Agency all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall after payment of amounts due the Trustee under the Indenture pay over or deliver to the Agency all money or securities held by it pursuant to the Indenture that are not required for the payment of the interest due on and the principal of such Bonds.

Prior to the maturity date thereof, any Outstanding Bond shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (1) there shall have been deposited with the Trustee Defeasance Securities, the principal of and the interest on which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the interest due and to become due on such Bonds on and prior to the maturity date or earlier redemption date thereof, and the principal of and redemption premium, if any, on such Bonds, (2) the Agency shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Holders of such Bonds that the deposit required by (1) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this paragraph and stating the maturity date or earlier redemption date upon which money is to be available for the payment of the principal of such Bonds and (3) the Agency shall cause to be delivered (i) a report of a nationally recognized Independent Certified Public Accountant (“Accountant”) verifying the sufficiency of the escrow established to pay the respective Bonds in full on the maturity date or earlier redemption date (“Verification”), (ii) an escrow deposit agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the respective Bonds are no longer Outstanding. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Agency and the Trustee.

Defeasance Securities deposited with the Trustee with respect to any Bond nor interest or principal payments thereon shall be withdrawn or used for any purpose other than, but rather all such cash and securities shall be held in trust for, the payment of the interest on and principal of such Bonds.

Bonds shall be deemed Outstanding under the Indenture unless and until they are in fact paid and retired or deemed paid as set forth in the Indenture.

The investments in the defeasance escrow relating to Insured Obligations shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by Insurer.

At least (three) 3 Business Days prior to any defeasance with respect to the Bonds, the Agency shall deliver to the Insurer draft copies of an escrow agreement, an opinion of Bond Counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Bonds, a verification report (a “Verification Report”) prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to Insurer and shall be in form and substance satisfactory to Insurer. In addition, the escrow agreement shall provide that:

(a) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Obligations is excludable) from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of the Insurer, which consent will not be unreasonably withheld.

(b) The Agency will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to the Insurer, a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(c) The Agency shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without written notice to and the prior written consent of Insurer.

### **Provisions Relating to the Policy.**

Cooperation with Insurer. The Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by Insurer and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Agency or any other matter as Insurer may reasonably request.

Meet and Confer; ROPS Denial. The Agency shall provide the Insurer with copies of all ROPS submitted and any and all correspondence received from the DOF upon receipt to the extent such documents affect payment on the Bonds. In the event that the Agency is a party to a meet and confer with the DOF in a manner affecting payment of the Bonds, the Agency shall timely notify the Insurer and the Insurer shall have the right to participate in the meet and confer process either by appearance with the Agency at the meet and confer or through written submission as Insurer determines in its discretion. In the event the Agency receives a ROPS denial, whether relating to the Bonds or not, and such denial could delay the receipt of Tax Revenue necessary to pay debt service or Administrative Costs (as defined in the Policy) relating to the Bonds, the Agency agrees to cooperate in good faith with the Insurer and the Insurer shall receive prompt notice of any such event and shall be permitted to attend any meetings with the Agency and the DOF and to discuss such matters with the DOF directly.

The Insurer as Third Party Beneficiary. The Insurer is recognized as and shall be deemed to be an irrevocable third party beneficiary of the Indenture and may enforce the provisions of the Indenture as if it were a party thereto.

Notice and Other Information to be given to Insurer. The Agency will identify the Insure as a “notice party” and shall further provide the Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the Owners of Bonds or the Trustee under the Indenture. The Insurer shall receive copies of all notices and amendments relating to the Bonds and Housing Bonds and subordinate bonds, if any.

Trustee. The Insure shall receive prior written notice of any name change of the Trustee for the Bonds or the resignation, removal or substitution of the Trustee. Each Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (C) otherwise approved by the Insurer in writing.

No resignation, removal or substitution of the Trustee shall take effect until a successor, acceptable to the Insurer, shall be qualified and appointed. The Insurer shall have the right to direct the replacement of the Trustee upon the occurrence of an event of a default on the Bonds and any event of default under any senior or subordinate obligations to the extent The Insurer determines in its sole discretion that there exists or could exist a conflict of interest.



Consent of the Insurer: Any amendments or supplements to the Indenture shall require the prior written consent of the Insurer in accordance with the Indenture, except for the following amendments or supplements:

i. To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the Indenture or in any supplement thereto, or

ii. To grant or confer upon the Owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners of the Bonds, or

iii. To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Indenture other conditions, limitations and restrictions thereafter to be observed, or

iv. To add to the covenants and agreements of the Agency in the Indenture other covenants and agreements thereafter to be observed by the Agency or to surrender any right or power therein reserved to or conferred upon the Agency.

Consent of the Insurer in Addition to Owner Consent. Any amendment, supplement, modification to, or waiver of, any of the Indenture that requires the consent of Owners of the Bonds that adversely affects the rights or interests of the Insurer shall be subject to the prior written consent of the Insurer.

Notice To and Consent of the Insurer in the Event of Insolvency. To the extent the Agency enters into any reorganization or liquidation plan with respect to the Agency, it must be acceptable to the Insurer. In the event of any reorganization or liquidation of the Agency, the Insurer shall have the right to file a claim, object to and vote on behalf of all Owners of the Bonds absent a continuing failure by the Insurer to make a payment under the Policy. The Agency shall provide the Insurer with immediate written notice of any insolvency event that causes the Agency to be unable to pay its obligations as and when they become due. In the event of a receivership or out-of-court restructuring, the Insurer shall have the right to negotiate and speak on behalf of and bind the Owner and any agreements reached must be acceptable to the Insurer.

Consent of the Insurer Upon Default. Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, monetary or nonmonetary, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Bonds or the Trustee for the benefit of the Owners of the Bonds under the Indenture. No monetary or nonmonetary default or event of default may be waived without the Insurer's written consent.

The Insurer as Owner. Upon the occurrence and continuance of a default or an event of default, the Insurer shall be deemed to be the sole and exclusive owner of the Outstanding Insured Obligations for all purposes under the Indenture, including, without limitation, for purpose of approvals, consents, exercising remedies and approving agreements relating to the Insured Obligations.

Consent of the Insurer for Acceleration. The Insurer's prior written consent is required as a condition precedent to and in all instances of acceleration.

Grace Period for Payment Defaults. No grace period shall be permitted for payment defaults on the Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of the Insurer.

Special Provisions for Insurer Default. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in the Indenture to the contrary, (1) if at any time prior to or following an Insurer Default, the Insurer has made payment under the Policy, to the extent of such payment the Insurer shall be treated like any other Owner of the Bonds for all purposes, including giving of consents, and (2) if the Insurer has not made any payment under the Policy, the Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the Insurer makes a payment under the Policy, in which event, the foregoing clause (1) shall control. "Insurer Default" means: (A) the Insurer has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) the Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Insurer (including without limitation under the New York Insurance Law).

Payment Procedure Under the Policy. In the event that principal and/or interest due on the Insured Obligations shall be paid by the Insurer pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Agency, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Agency to the registered Owners shall continue to exist and shall run to the benefit of the Insurer. and shall be subrogated to the rights and remedies of such registered Owners including, without limitation, any rights that such Owners may have in respect of securities law violations arising from the offer and sale of the Insured Obligations.

In the event that on the second (2nd) business day prior to any payment date on the Insured Obligations, the Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Obligations due on such payment date, the Trustee shall immediately notify the Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall notify the Insurer or its designee immediately upon receipt of payment.

In addition, if the Trustee has notice that any Owner of the Insured Obligations has been required to disgorge payments of principal of or interest on the Insured Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law, then the Trustee shall notify the Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Insurer.

The Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for Owners of the Insured Obligations as follows:

- i. If there is a deficiency in amounts required to pay interest and/or principal on the Insured Obligations, the Trustee shall (i) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent and attorney-in-fact for such Owners of the Insured Obligations in any legal proceeding related to the payment and assignment to the Insurer of the claims for interest on the Insured Obligations, (ii) receive as designee of the respective Owners in accordance with the tenor of the Policy payment

from the Insurer with respect to the claims for interest so assigned, and (iii) disburse the same to such respective Owners; and

- ii. If there is a deficiency in amounts required to pay principal of the Insured Obligations, the Trustee shall (i) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent and attorney-in-fact for such Owner of the Insured Obligations in any legal proceeding related to the payment of such principal and an assignment to the Insurer of the Insured Obligations surrendered to the Insurer, (ii) receive as designee of the respective Owners in accordance with the tenor of the Policy payment therefore from the Insurer, and (iii) disburse the same to such Owners.
- iii. The Trustee shall designate any portion of payment of principal on Insured Obligations paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Obligations registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to the Insurer, registered in the name directed by the Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Obligation shall have no effect on the amount of principal or interest payable by the Agency on any Insured Obligation or the subrogation or assignment rights of the Insurer.

Payments with respect to claims for interest on and principal of Insured Obligations disbursed by the Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the Agency with respect to such Insured Obligations, and the Insurer shall become the owner of such unpaid Insured Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the Agency and Trustee agree for the benefit of the Insurer that:

(y) They recognize that to the extent the Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Insured Obligations, the Insurer will be subrogated to the rights of such Owners to receive the amount of such principal and interest from the Agency, with interest thereon, as provided and solely from the sources stated in the Indenture and the Insured Obligations; and

(z) They will accordingly pay to the Insurer the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Obligations, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Obligations to Owners, and will otherwise treat the Insurer as the Owner of such rights to the amount of such principal and interest.

Additional Payments. The Agency agrees unconditionally that it will pay or reimburse the Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Insurer may pay or incur, including, but not limited to, fees and expenses of the Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Indenture ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Insurer spent in connection with the actions described in the preceding sentence. The Agency agrees that failure to pay any Administrative Costs on a

timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Insurer until the date the Insurer is paid in full.

Notwithstanding anything in the Indenture to the contrary, the Agency agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Policy (“the Insurer Policy Payment”); and (ii) interest on such the Insurer Policy Payments from the date paid by the Insurer until payment thereof in full by the Agency, payable to the Insurer at the Late Payment Rate per annum (collectively, “Insurer Reimbursement Amounts”) compounded semi-annually. The Agency covenants and agrees pursuant to the Indenture that the Insurer Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Obligations on parity with debt service due on the Insured Obligations.

Reserve Account. The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account. Amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service due on the Bonds.

Exercise of Rights by the Insurer. The rights granted to the Insurer under the Indenture and Bonds to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer’s contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Insurer.

The Insurer shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Agency (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the Insurer has received a claim upon the Policy.

Books and Records. The Agency and the Trustee and Paying Agent shall keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of its transactions and all funds and accounts by or maintained pursuant to the Indenture, which shall at all times during normal business hours and upon reasonable notice be subject to inspection by the Insurer or its agents or representatives who have been duly authorized in writing.

#### **Provisions Relating to the Reserve Policy.**

The Agency shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Insurer at the Late Payment Rate.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, “Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Reserve Account established for the Bonds shall be transferred to the Special Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Reserve Account credit instrument in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. draws on all Reserve Account credit instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

- (b) Draws under the Reserve Policy may only be used to make payments on the Bonds.
- (c) If the Agency shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect owners of the Bonds.
- (d) The Indenture shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The Agency's obligation to pay such amount shall expressly survive payment in full of the Bonds.
- (e) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions the Indenture and provide notice to the Insurer at least three business days prior to each date upon which interest or principal is due on the Bonds.
- (f) The Reserve Policy shall expire on the earlier of the date the Bonds are no longer Outstanding and the final maturity date of the Bonds.

**The Trustee.**

MUFG Union Bank, N.A. shall serve as the Trustee for the Bonds for the purpose of receiving all money which the Agency is required to deposit with the Trustee under the Indenture and for the purpose of allocating, applying and using such money as provided therein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment with the rights and obligations provided therein. The Agency agrees that it will at all times maintain a Trustee having a principal corporate trust office in San Francisco or Los Angeles, California.

Subject to provisions relating to the Insurer, the Agency may at any time, unless there exists any Event of Default as defined in the Indenture, remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall be a bank, corporation or trust company doing business and having a principal corporate trust office in San Francisco or Los Angeles, California, having a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars (\$75,000,000) and subject to supervision or examination by federal or state authority. If such bank, corporation 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 purpose of the Indenture the combined capital and surplus of such bank, corporation or trust company shall be deemed to be its combined capital and surplus

as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Agency and by sending to the Owners notice of such resignation. Upon receiving such notice of resignation, the Agency shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may at the expense of the Agency petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required in the Indenture.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible under the Indenture, shall be the successor to the Trustee without the execution or filing of any paper or further act, notwithstanding anything contrary in the Indenture.

#### **Actions by Trustee as Attorney-in-Fact**

Any suit, action or proceeding which any Owner with respect to Bonds shall have the right to bring to enforce any right or remedy under the Indenture may be brought by the Trustee for the equal benefit and protection of all Owners with respect to Bonds, and the Trustee is appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the Owners with respect to Bonds for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the Owners with respect to Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact; provided, however, the Trustee shall not be obligated to bring any such suit, action or proceeding or perform any other acts or things as such attorney in fact unless it has been indemnified to its satisfaction from any liability, cost or expense related thereto and such appointment shall be subject to all of the provisions of the Indenture, including, without limitation, provisions relating to the Trustee.

**APPENDIX B**

**FORMS OF BOND COUNSEL OPINION**

Date of Delivery

Successor Agency to the  
Redevelopment Agency of the City of Rialto  
c/o City of Rialto  
150 S. Palm Avenue  
Rialto, California 92376

Re: Successor Agency to the Redevelopment Agency of the City of Rialto

Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series A (Tax Exempt)	Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series B (Taxable)	Tax Allocation Housing Revenue Refunding Bonds (Merged Project Area) 2015 Series C (Taxable)
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We have acted as Bond Counsel to the Successor Agency to the Redevelopment Agency of the City of Rialto (the “Agency”) in connection with the issuance of (i) \$\_\_\_\_\_ aggregate principal amount of its Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series A (Tax-Exempt) (“2015 Series A Bonds”); (ii) \$\_\_\_\_\_ aggregate principal amount of its Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series B (Taxable) (“2015 Series B Bonds”); (iii) and \$\_\_\_\_\_ aggregate principal amount of its Tax Allocation Housing Revenue Refunding Bonds (Merged Project Area) 2015 Series C (Taxable) (“2015 Series C Bonds”, and together with the 2015 Series A Bonds and the 2015 Series B Bonds, the “Bonds”).

The Bonds are issued in accordance with the laws of the State of California, including Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Bond Law”), and Parts 1, 1.8 and 1.85 (commencing with Section 33000) of Division 24 of the Health and Safety Code of the State of California (collectively, the “Law”). The 2015 Series A Bonds and the 2015 Series B Bonds are also being issued pursuant to the terms of an Indenture of Trust, dated as of July 1, 2015 (the “Non-Housing Indenture”), by and between the Agency and MUFG Union Bank, N.A., as trustee (the “Trustee”). The 2015 Series A Bonds are being issued to refund the Redevelopment Agency of the City of Rialto Tax Allocation Bonds (Merged Project Area), 2005 Series A. The 2015 Series B Bonds are being issued to refund the Redevelopment Agency of the City of Rialto Tax Allocation Bonds (Merged Project Area), 2005 Series C Bonds.

The 2015 Series C Bonds are being issued pursuant to the terms of an Indenture of Trust, dated as of July 1, 2015 (the “Housing Indenture”), by and between the Agency and the Trustee. The 2015 Series C Bonds are being issued to refund the Redevelopment Agency of the City of Rialto Tax Allocation Housing Set-Aside Bonds (Merged Project Area), 2005 Series B.

In our capacity as Bond Counsel, we have examined the Law, and we have reviewed the Non-Housing Indenture, the Housing Indenture, the Tax and Non Arbitrage Certificate, dated the date hereof (the “Tax Certificate”), certificates of the Agency, the Trustee, and others, and such other documents, opinions and papers as we deemed necessary to render the opinions set forth herein. We have assumed the genuineness of all documents and signatures presented to us and the enforceability against parties other than the Agency. As to questions of fact material to our opinion, we have relied upon representations of the Agency contained in the Non-Housing Indenture, the Housing Indenture, and in

certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify such facts by independent investigation. We have assumed compliance with all covenants and agreements contained in the Non-Housing Indenture, the Housing Indenture, and the Tax Certificate, including (without limitation) covenants and agreements, compliance with which is necessary to assure the future actions, omissions or events will not cause interest on the 2015 Series A Bonds to be included in gross income for federal income tax purposes.

Based on and subject to the foregoing and subject to the limitations herein, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Agency is duly created and validly existing as a public body with the power to enter into the Non-Housing Indenture and the Housing Indenture, perform the agreements on its part contained therein, and issue the Bonds.

2. The Non-Housing Indenture and the Housing Indenture have been duly approved by the Agency and constitute valid and binding obligations of the Agency enforceable against the Agency.

3. Pursuant to the Law, the Non-Housing Indenture creates a valid lien on the pledged Tax Revenues, and funds and accounts pledged pursuant to the Non-Housing Indenture for the security of the 2015 Series A Bonds and the 2015 Series B Bonds.

4. Pursuant to the Law, the Housing Indenture creates a valid lien on the pledged Housing Set-Aside, and funds and accounts pledged pursuant to the Housing Indenture for the security of the 2015 Series C Bonds.

5. The Bonds have been duly authorized, executed and delivered by the Agency and are valid and binding limited obligations of the Agency, payable solely from the sources provided therefor in the Non-Housing Indenture and the Housing Indenture, as applicable.

6. The interest on the 2015 Series B Bonds and the 2015 Series C Bonds is not excluded from gross income for federal income tax purposes, and is subject to all applicable federal income taxation. We express no opinion regarding other federal tax consequences arising with respect to the 2015 Series B Bonds and the 2015 Series C Bonds.

7. Assuming compliance with certain covenants described herein, the interest on the 2015 Series A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the Agency comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that such interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the 2015 Series A Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the 2015 Series A Bonds.

8. The interest on the Bonds is exempt from current personal income taxation imposed by the State of California.

Except as stated in paragraphs 6, 7 and 8 above, we express no opinion as to any federal or state tax consequences regarding ownership or disposition of the Bonds.



The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our opinion speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. In addition, the rights and obligations under the Bonds, the Non-Housing Indenture and the Housing Indenture and their enforceability may be subject to or limited by bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights or the availability of a particular remedy, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, penalty (including any remedy deemed to constitute a penalty), choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. We undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto. We have not provided any financial advice.

We bring to your attention the fact that our legal opinions are an expression of professional judgment and are not a guarantee of a result and our opinions are not binding on the Internal Revenue Service. Our opinions are based on our review of existing law we deem relevant and in reliance upon the representations and covenants referenced above. Our engagement with respect to this matter has terminated as of the date hereof, and we do not undertake to advise you of any matters that may come to our attention subsequent to the date hereof that may affect our legal opinions expressed herein.

Respectfully Submitted,

ALESHIRE & WYNDER, LLP

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## APPENDIX C

### BOOK-ENTRY SYSTEM

The information in this APPENDIX C concerning The Depository Trust Company (“DTC”), New York, New York, and DTC’s book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, NY, 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 certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with 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 Successor Agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 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](http://www.dtcc.com). The information set forth on such website is not incorporated herein by reference.

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 certificates 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 redemptions, 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 redeemed, 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 Successor Agency 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).

Principal, premium (if any), and interest 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 Successor Agency 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 Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency 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.

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

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor Agency takes no responsibility for the accuracy thereof.

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## APPENDIX D

### FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the Successor Agency to the Redevelopment Agency of the City of Rialto (the “Successor Agency”) and Willdan Financial Services, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of \$\_\_\_\_\_ Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series A (Tax-Exempt) (the “2015 Series A Bonds”), its \$\_\_\_\_\_ Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series B (Taxable) (the “2015 Series B Bonds”), and its \$\_\_\_\_\_ Tax Allocation Housing Revenue Refunding Bonds (Merged Project Area) 2015 Series C (Taxable) (the “2015 Series C Bonds” and, together with the 2015 Series A Bonds and the 2015 Series B Bonds, the “Bonds”). The 2015 Series A Bonds and the 2015 Series B Bonds (together, the “Non-Housing Bonds”) will be issued under an Indenture of Trust, dated as of August 1, 2015 (the “Non-Housing Indenture”), by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the “Trustee”). The 2015 Series C Bonds will be issued under an Indenture of Trust, dated as of August 1, 2015 (the “Housing Indenture” and, together with the Non-Housing Indenture, the “Indenture”), by and between the Successor Agency and the Trustee. The Successor Agency and the Trustee covenant and agree as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Successor Agency for the benefit of the Owners and Beneficial Owners of the Bonds.

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

“Annual Report” shall mean any Annual Report provided by the Successor Agency pursuant to, and as described in, Section 3 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city in which the corporate trust office of the Trustee is located are authorized to close, or (ii) a day on which the New York Stock Exchange is closed.

“Dissemination Agent” shall mean initially, Willdan Financial Services, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Successor Agency, and which has filed with the Trustee a written acceptance of such designation.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for Municipal Securities disclosures, maintained on the internet at <http://emma.msrb.org>.

“Fiscal Year” shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any twelve-month or fifty-two week period hereafter selected by the Successor Agency, with notice of such selection or change in fiscal year to be provided as set forth herein.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any other entity designated or authorized by the United States Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the United States Securities and Exchange Commission, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement, dated \_\_\_\_\_, 2015, relating to the Bonds.

“Owner” shall mean either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of California.

### SECTION 3. Provision and Contents of Annual Report.

(a) Not later than February 15 of each year, commencing February 15, 2016, the Successor Agency shall, or shall cause the Dissemination Agent, to provide the MSRB, through EMMA, the Trustee and each Rating Agency then rating the Bonds, with a written report that shall include the following information:

- The principal amount of each series of the Bonds outstanding as of the immediately preceding September 1;
- The total outstanding debt relating to the Merged Project Area, including Parity Debt and subordinate debt as of the immediately preceding September 1;
- Merged Project Area taxable assessed valuation for the then current fiscal year;
- Merged Project Area base year assessed valuation;
- The taxable assessed valuation for each of the ten largest taxpayers in the Merged Project Area for the then current fiscal year;
- Information on appeals by top ten taxpayers in the Merged Project Area for the last completed fiscal year;
- The total amount of pledged Tax Revenues deposited into the Redevelopment Property Tax Trust Fund by the County Auditor-Controller since the previous December 1; and



- The balance in the Reserve Fund as of the immediately preceding September 1.

(b) So long as any Bonds remain outstanding, the Successor Agency shall, or shall cause the Dissemination Agent to, not later than February 15 of each year, commencing February 15, 2016, provide to the MSRB, through EMMA, the Trustee and each Rating Agency then rating the Bonds, a post-audit of the financial transactions and records of the Successor Agency for the Fiscal Year to be made by an Independent Certified Public Account appointed by the Successor Agency 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. If the Successor Agency's post-audit is not available by the time such post-audit is required to be filed pursuant to this Section 3(b), an unaudited statement of financial transactions and records of the Successor Agency in a format required by Section 34177(n) of the Health and Safety Code shall be provided to the Dissemination Agent, and the post-audit shall be filed in the same manner as the Annual Report when they have become available.

(c) Not later than November 1 of each year, the Successor Agency shall provide the Dissemination Agent with the portion of the Annual Report identified in Section 3(a) of this Disclosure Agreement. Not later than 15 Business Days prior to the date specified in Section 3(b) for providing the post-audit to the MSRB, through EMMA, the Successor Agency shall provide the Dissemination Agent with the post-audit identified in Subsection 3(b). If by either such date, the Trustee has not received a copy of the relevant portion of the Annual Report, the Trustee shall contact the Successor Agency and the Dissemination Agent to determine if the Successor Agency is in compliance with Section 3(a) or Section 3(b), as applicable. The Successor Agency shall provide a written certification with each portion of the Annual Report furnished to the Dissemination Agent and the Trustee to the effect that such portion of the Annual Report constitutes the relevant portion of Annual Report required to be furnished by it hereunder. The Dissemination Agent and the Trustee may conclusively rely upon such certification of the Successor Agency and shall have no duty or obligation to review such Annual Report.

(d) The Annual Report must be submitted in electronic format, accompanied by such identifying information as provided by the MSRB. 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 3(e) of this Disclosure Agreement. If the Fiscal Year changes for the Successor Agency, the Successor Agency shall give notice of such change in the manner provided under Section 5(e) hereof.

(e) Any or all of the items listed above may be included by specific reference to other documents, including official statements or other disclosure documents of debt issues of the Successor Agency or related public entities, available to the public on EMMA or filed with the SEC. The Successor Agency shall clearly identify each such other document so included by reference.

(f) The contents, presentation and format of the Annual Reports may be modified from time to time as determined in the judgment of the Successor Agency to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Successor Agency or to reflect changes in the business, structure, operations, legal form of the Successor Agency; provided, that any such modifications shall comply with the requirements of the Rule.

(g) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(h) The Dissemination Agent shall:

(i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports to, the MSRB prior to the date for providing the Annual Reports; and

(ii) to the extent known to the Dissemination Agent file a report with the Successor Agency and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, and stating the date it was provided.

SECTION 4. Reserved.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Successor Agency 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) defeasances;
- (iii) tender offers;
- (iv) rating changes;
- (v) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701-TEB);
- (vi) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (vii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (viii) substitution of credit or liquidity providers or their failure to perform; or
- (ix) bankruptcy, insolvency, receivership or similar proceedings.

For these purposes, any event described in the immediately preceding paragraph (9) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States 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 Successor Agency, or if such jurisdiction has been assumed by leaving the existing governing 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 Successor Agency.

(b) Pursuant to the provisions of this Section 5, the Successor Agency 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) the consummation of a merger, consolidation or acquisition involving the Successor Agency or the sale of all or substantially all of the assets of the Successor Agency, 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;

(ii) appointment of a successor or additional Trustee or the change of the name of a Trustee;

(iii) non-payment related defaults;

(iv) modifications to the rights of Owners;

(v) Bond calls;

(vi) release, substitution or sale of property securing repayment of the Bonds; or

(vii) in addition to the adverse tax opinions or determinations of taxability described in Section 5(a)(5) above, any other notices or determinations with respect to the tax status of the Bonds.

(c) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, described in subsection (b) of this Section 5, the Successor Agency shall as soon as possible determine if such event would be material under applicable federal securities law.

(d) If the Successor Agency determines that knowledge of the occurrence of a Listed Event described in subsection (b) of this Section 5 would be material under applicable federal securities law, the Successor Agency shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence to EMMA in a timely manner not more than ten (10) Business Days after the event.

(e) If the Dissemination Agent has been instructed by the Successor Agency to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

**SECTION 6. Filings with the MSRB.** All information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

**SECTION 7. Termination of Reporting Obligation.** The Successor Agency's obligations under this Disclosure Agreement with respect to the Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all Outstanding Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5.

**SECTION 8. Dissemination Agent.** The Successor Agency 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 Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Successor Agency may amend this Disclosure Agreement, provided no amendment increasing or affecting the obligations or duties of the Dissemination Agent shall be made without the consent of such party, and any provision of this Disclosure Agreement may be waived if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Successor Agency to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Successor Agency 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 Successor Agency 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 Successor Agency shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Successor Agency or the Dissemination Agent (if the Dissemination Agent is other than the Successor Agency) to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of outstanding Bonds with indemnification satisfactory to it, shall), or any Owner 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 Successor Agency or the Dissemination Agent (if the Dissemination Agent is other than the Successor Agency), as the case may be, to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the Successor Agency or the Dissemination Agent (if the Dissemination Agent is other than the Successor Agency) to comply with this Disclosure Agreement shall be an action to compel performance. The Trustee shall not owe any fiduciary duty to the Participating Underwriter nor shall its failure to comply with the request of any Participating Underwriter result in a breach of any of its fiduciary duties owed to the Owners.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Successor Agency 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 and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. If the Trustee performs the duties assigned to it hereunder, the Trustee shall not be responsible to any person for any failure by the Successor Agency or the Dissemination Agent (if other than the Trustee) to perform duties or obligations imposed hereby. The Dissemination Agent shall have the same rights and protections hereunder as accorded to the Trustee under the Indenture. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with the MSRB shall be prepared and provided to it by the Successor Agency. The Dissemination Agent has undertaken no responsibility with respect to any reports, notices or disclosures provided to it under this Disclosure Agreement, and has no liability to any person, including any owner of Bonds, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or

banking relationship with the Successor Agency shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the Successor Agency.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Successor Agency, the Trustee, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. No person shall have any right to commence any action against the Trustee or the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Agreement. Neither the Trustee nor the Dissemination Agent shall be liable under any circumstances for monetary damages to any person for any breach of this Disclosure Agreement.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed and construed in accordance with the laws of the State.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated: \_\_\_\_\_, 2015

SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF  
RIALTO

By \_\_\_\_\_  
Chair

WILLDAN FINANCIAL SERVICES, as  
Dissemination Agent

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligated Party: The Successor Agency to the Redevelopment Agency of the City of Rialto (the "Successor Agency")

Name of Bond Issue: \$\_\_\_\_\_ Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series A (Tax-Exempt) (the "2015 Series A Bonds"), its \$\_\_\_\_\_ Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series B (Taxable) (the "2015 Series B Bonds"), and its \$\_\_\_\_\_ Tax Allocation Housing Revenue Refunding Bonds (Merged Project Area) 2015 Series C (Taxable) (the "2015 Series C Bonds" and, together with the 2015 Series A Bonds and the 2015 Series B Bonds, the "Bonds")

Date of Issuance: \_\_\_\_\_, 2015

NOTICE IS HEREBY GIVEN that the Successor Agency has not provided an Annual Report with respect to the above-captioned Bonds as required by the Continuing Disclosure Agreement, dated \_\_\_\_\_, 2015, with respect to the Bonds. [The Successor Agency anticipates that the Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_, 20\_\_

[\_\_\_\_\_]

as Dissemination Agent

on behalf of the Successor Agency

**APPENDIX E**

**SUCCESSOR AGENCY PRIVATE-PURPOSE TRUST FUND - JUNE 30, 2014**

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CITY OF RIALTO

STATEMENT OF NET POSITION  
FIDUCIARY FUNDS

June 30, 2014

	Private-Purpose Trust Fund	Other Post- Employment Benefit (OPEB) Trust Fund	Agency Funds
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash and investments	\$ 28,245,251	\$ -	\$ 2,754,150
Accounts receivable, net	221,572	-	48
Interest receivable	10,803	-	1,784
Prepaid items	3,600	-	253
Notes receivable	8,401,915	-	79,851
Due from City	48,080	-	-
Due from other governments	-	-	16,733
Property held for resale	17,791,416	-	-
Restricted assets:			
Cash and investments with fiscal agents	15,758,608	-	1,206,629
Cash and investments held by trust	-	8,924,874	-
Cash and investments in escrow	619,591	-	-
<b>TOTAL CURRENT ASSETS</b>	<u>71,100,836</u>	<u>8,924,874</u>	<u>4,059,448</u>
<b>NONCURRENT ASSETS:</b>			
Capital assets:			
Not being depreciated	290,347	-	-
Being depreciated (net of accumulated depreciation)	150,553	-	-
<b>TOTAL NONCURRENT ASSETS</b>	<u>440,900</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>71,541,736</u>	<u>8,924,874</u>	<u>\$ 4,059,448</u>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accrued liabilities	368,204	-	\$ 959,966
Deposits	70,000	-	115,656
Unearned revenue	505,143	-	206
Due to City	303,273	-	-
Due to bondholders	-	-	2,983,620
Interest payable	3,092,737	-	-
Current portion of long-term liabilities	3,300,730	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>7,640,087</u>	<u>-</u>	<u>4,059,448</u>
<b>LONG-TERM LIABILITIES:</b>			
Other post-employment benefits obligation	22,090	-	-
Noncurrent portion of long-term liabilities	157,702,652	-	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>157,724,742</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>165,364,829</u>	<u>-</u>	<u>\$ 4,059,448</u>
<b>NET POSITION:</b>			
Restricted for private purpose	(93,823,093)	-	
Held in trust for OPEB benefits	-	8,924,874	
<b>TOTAL NET POSITION</b>	<u>\$ (93,823,093)</u>	<u>\$ 8,924,874</u>	

See independent auditors' report and notes to basic financial statements.

CITY OF RIALTO

STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS

For the year ended June 30, 2014

	Private-Purpose Trust Fund	Other Post- Employment Benefit (OPEB) Trust Fund
ADDITIONS:		
Taxes	\$ 12,576,601	\$ -
Employer contributions	-	3,200,056
Net investment income	183,259	970,082
Other	918,980	-
	<u>13,678,840</u>	<u>4,170,138</u>
TOTAL ADDITIONS		
DEDUCTIONS:		
Administrative expenses	632,507	35,926
Interest expense	9,404,737	-
Capital contribution to the City	5,141,807	-
Depreciation	15,021	-
Payment to City for administrative expenses	219,995	-
Payment to debt service fund of the city for reimbursement agreement	185,982	-
Benefits	-	1,488,622
	<u>15,600,049</u>	<u>1,524,548</u>
TOTAL DEDUCTIONS		
CHANGE IN NET POSITION	(1,921,209)	2,645,590
NET POSITION AT BEGINNING OF YEAR, AS RESTATED	<u>(91,901,884)</u>	<u>6,279,284</u>
NET POSITION AT END OF YEAR	<u>\$ (93,823,093)</u>	<u>\$ 8,924,874</u>

See independent auditors' report and notes to basic financial statements.

**APPENDIX F**

**STATE DEPARTMENT OF FINANCE APPROVAL LETTER**

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June 18, 2015

Mr. John Dutrey, Housing Program Manager  
City of Rialto  
131 South Palm Avenue  
Rialto, CA 92376

Dear Mr. Dutrey:

Subject: Oversight Board Actions Review

The Successor Agency (Agency) of the City of Rialto notified the California Department of Finance (Finance) of its April 16, 2015 and June 10, 2015 oversight board (OB) resolutions on April 16, 2015 and June 10, 2015. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB actions.

Based on our review and application of the law, Finance has made the following determinations:

OB Resolution No. OB 15-03

This resolution, approving the issuance of refunding bonds of the Agency to refund certain 2005 bonds of the former redevelopment agency (RDA), and approving related actions of the Agency, is rescinded by the Agency. Prior to the deadline for Finance's determination on OB Resolution No. OB 15-03, the Agency formally rescinded this resolution by its approval of OB Resolution No. OB 15-07. Therefore, no determination is needed for this resolution, and OB Resolution 15-03 is not effective.

OB Resolution No. OB 15-07

This resolution, approving the issuance of refunding bonds of the Agency to refund bonds of the former RDA, and approving related actions of the Agency, is approved.

The Agency desires to refund the following former RDA 2005 bonds series to achieve debt service savings:

- RDA Tax Allocation Bonds (Merged Project Area) 2005 Series A
- RDA Tax Allocation Bonds (Merged Project Area) 2005 Series B
- RDA Tax Allocation Bonds (Merged Project Area) 2005 Series C

Finance's approval is based on our understanding that no refunding bonds will be issued unless such bonds meet the limitations set forth in HSC section 34177.5 (a). Furthermore, the preliminary official statement includes a provision which would allow the Agency to use excess amounts in the Reserve Account for capital expenditures. The Agency confirmed that no new funds would be generated from the issuance to pay for new projects and the Agency intends to remove this provision from the final official statement.

Mr. John Dutrey  
June 18, 2015  
Page 2

Following the issuance of the bonds, the Agency's debt service payment obligations for the refunding bonds should be placed on a future Recognized Obligation Payment Schedule, subject to Finance review and approval.

Please direct inquiries to Nichelle Thomas, Supervisor, or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Robb Steel, Assistant to the City Administrator, City of Rialto  
Ms. Linda Santillano, Property Tax Manager, San Bernardino County  
California State Controller's Office

## APPENDIX G

### SUPPLEMENTAL INFORMATION – CITY OF RIALTO

The following information concerning the City of Rialto, California (the “City”) and surrounding areas is included only for the purpose of supplying general information regarding the community.

#### General Information

The City is located in the western portion of the County of San Bernardino (the “County”), approximately 60 miles east of the City of Los Angeles and just west of the City of San Bernardino. The City was incorporated in 1911, and is organized as a general law city with a Council-Administrator form of government. The City is approximately four miles wide and eight and one-half miles long. The City is served by Interstate Freeways 210, 215, 10 and 15.

#### Municipal Government

The City functions as a general law city under the council-administrator form of government. Four council members are elected at large to serve four year overlapping terms. The Mayor is elected at large and serves a four-year term. The City Administrator is appointed by the City Council.

The City has approximately 299 full-time employees. The City has a full service police station to provide 24-hour protection, including dispatch and 911 services. There are 144 personnel employed in the City’s police department and 63 personnel employed in the City’s fire department.

#### Population

The following table shows population estimates for the City, the County and the State of California for the past five years.

#### CITY OF RIALTO, SAN BERNARDINO COUNTY POPULATION ESTIMATES

<b>Year (January 1)</b>	<b>City of Rialto</b>	<b>San Bernardino County</b>	<b>State of California</b>
2011	99,686	2,046,619	37,427,946
2012	100,397	2,059,694	37,668,804
2013	100,896	2,068,610	37,984,138
2014	101,329	2,084,151	38,357,121
2015	102,092	2,104,291	38,714,725

Source: State of California Department of Finance, Demographic Research Unit.

## Industry

The table below lists employment by industry group for San Bernardino County for years 2010 through 2014.

### Annual Average Labor Force Employment by Industry Group<sup>(1)</sup>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014<sup>(2)</sup></u>
Civilian Labor Force	889,600	888,000	893,800	898,400	909,200
Civilian Employment	769,200	773,700	791,700	810,700	836,000
Civilian Unemployment	120,400	114,300	102,100	87,700	73,200
Civilian Unemployment Rate	13.5%	12.9%	11.4%	9.8%	8.1%
Total, All Industries	613,500	604,300	623,500	644,800	N/A
Total Farm	2,600	2,500	2,500	2,200	N/A
Total Nonfarm	610,800	601,800	621,000	642,600	N/A
Goods Producing	72,200	72,100	74,500	75,500	N/A
Mining and Logging	600	600	800	900	N/A
Construction	24,300	25,000	26,400	26,900	N/A
Manufacturing	47,200	46,500	47,300	47,700	N/A
Durable Goods	28,900	28,400	29,100	29,700	N/A
Nondurable Goods	18,300	18,200	18,200	18,000	N/A
Service Providing	538,700	529,700	546,500	567,100	N/A
Trade, Transportation & Utilities	153,700	154,800	165,100	171,000	N/A
Wholesale Trade	29,600	29,300	31,400	33,600	N/A
Retail Trade	77,000	76,900	80,700	82,800	N/A
Transportation, Warehousing & Utilities	47,200	48,500	53,000	54,600	N/A
Information	3,800	4,500	5,200	5,100	N/A
Financial Activities	21,700	21,400	21,600	22,000	N/A
Finance & Insurance	14,400	14,300	14,700	14,800	N/A
Real Estate & Rental & Leasing	7,300	7,000	6,900	7,200	N/A
Professional & Business Services	73,100	73,600	73,300	75,200	N/A
Professional, Scientific & Technical Services	18,800	19,300	19,400	20,400	N/A
Management of Companies & Enterprises	5,600	5,800	5,600	5,700	N/A
Administrative & Support & Waste Services	48,700	48,400	48,300	49,100	N/A
Educational & Health Services	86,200	86,800	91,100	99,000	N/A
Educational Services	10,100	10,200	9,800	10,100	N/A
Health Care & Social Assistance	76,100	76,600	81,300	88,800	N/A
Leisure & Hospitality	55,100	55,200	57,000	60,400	N/A
Arts, Entertainment & Recreation	6,000	5,900	6,100	6,700	N/A
Accommodation & Food Services	49,100	49,200	50,900	53,600	N/A
Other Services	19,900	20,300	20,800	20,700	N/A
Government	125,100	113,300	112,400	113,800	N/A
Federal Government	15,100	14,200	13,800	13,500	N/A
State Government	13,400	13,100	12,500	12,000	N/A
Local Government	96,700	86,000	86,200	88,300	N/A

<sup>(1)</sup> Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike. Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

<sup>(2)</sup> Totals do not add due to inclusion of selected industry groups only. 2014 data not available.

Source: State of California, Employment Development Department.



## Commercial Activity

During calendar year 2013, total taxable transactions in the City were reported to be \$925,239,000, an increase of approximately 5.3% from the prior year, during which the total taxable transactions were reported to be \$878,743,000. A summary of the significant categories of historic taxable sales within the City during the past five available years is shown in the following table. In 2009, the type of business categories changed such that earlier data is not comparable. Annual figures are not yet available for 2014.

**CITY OF RIALTO**  
**Taxable Transactions**  
**2009-2013**  
**(In thousands)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Retail and Food Services					
Motor Vehicle and Parts Dealer	\$21,927	\$23,169	\$25,574	\$25,808	\$63,481
Home Furnishings and Appliance Stores	3,757	3,749	4,727	6,560	59,779
Bldg. Matrl. And Garden Equip. and Supplies	40,346	43,772	41,984	42,817	7,746
Food and Beverage Stores	42,651	41,928	42,146	45,244	87,058
Gasoline Stations	193,876	256,897	191,361	171,930	65,110
Clothing and Clothing Accessories Stores	15,297	17,582	17,272	17,939	175,763
General Merchandise Stores <sup>(2)</sup>	-	-	-	-	99,748
Food Services and Drinking Places	67,053	66,163	68,046	75,650	177,526
Other Retail Group <sup>(2)</sup>	120,11	116,521	124,792	126,571	88,825
Total Retail and Food Services	505,019	569,782	515,902	512,518	825,037
<u>All Other Outlets</u>	<u>261,125</u>	<u>279,188</u>	<u>352,025</u>	<u>366,225</u>	<u>100,203</u>
<u>Totals All Outlets</u>	<u>\$766,144</u>	<u>\$848,970</u>	<u>\$867,927</u>	<u>\$878,743</u>	<u>\$925,239</u>

<sup>(1)</sup> Totals may not add due to rounding.

<sup>(2)</sup> Sales omitted because their publication would result in the disclosure of confidential information. These sales are included with "Other Retail Group" when possible.

Source: State Board of Equalization, Research and Statistics Division.

## Construction Trends

Provided below are the building permits and valuations for the City and the County for calendar years 2010 through 2014.

<b>CITY OF RIALTO</b>					
<b>New Construction</b>					
<b>(In thousands)</b>					
	<u>2010<sup>(1)</sup></u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Permit Valuation</u>					
New Single-family	12,610.0	1,267.5	1,750.0	15,720.0	1,681.3
New Multi-family	3,853.0	5,495.6	0	77.2	0.0
Res. Alterations/Additions	<u>841.5</u>	<u>1,007.2</u>	<u>148.0</u>	<u>0.0</u>	<u>7.6</u>
Total Residential	17,304.5	7,770.3	1,898.0	15,797.2	1,688.9
New Commercial	0	0	0	0	0
New Industrial	0	0	7,195.3	0	0
New Other	218.0	282.0	98.0	5.4	0
Com. Alterations/Additions	<u>4,731.0</u>	<u>1,921.5</u>	<u>435.0</u>	<u>0.0</u>	<u>0</u>
Total Nonresidential	4,949.0	2,203.5	7,728.3	5.4	0
<u>New Dwelling Units</u>					
Single Family	64	7	8	69	7
Multiple Family	<u>75</u>	<u>75</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	139	82	8	69	7

<sup>(1)</sup> Statistics are based on less than 12 months of reported data. Conservative estimates of missing data were used to obtain annual totals.

Source: Construction Industry Research Board, *Building Permit Summary* (2008-2013); California Homebuilding Foundation/Construction Industry Research Board, *Building Permit Summary* (2011-2014).

**APPENDIX H**  
**FISCAL CONSULTANT'S REPORT**

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**SUCCESSOR AGENCY  
TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF RIALTO**

**Merged Redevelopment Project**

**PROJECTED TAXABLE VALUES AND  
ANTICIPATED TAX INCREMENT REVENUES**

**June 23, 2015**

**I. Introduction**

The Successor Agency to the Redevelopment Agency of the City of Rialto Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2015 Series A, Series B and Series C (the “Bonds”), are being issued by the Successor Agency to the Redevelopment Agency of the City of Rialto (the “Successor Agency”). The 2015 Series A Bonds are being issued to (i) refund all of the Redevelopment Agency of the City of Rialto Tax Allocation Bonds (Merged Project Area), 2005 Series A, currently outstanding in the aggregate principal amount of \$23,885,000 (ii) fund a portion of the reserve account for the Non-Housing Bonds (defined below) or acquire a reserve surety for the Non-Housing Bonds, and (iii) pay the costs of issuance of the 2015 Series A Bonds. The 2015 Series B Bonds are being issued to (i) refund all of the Redevelopment Agency of the City of Rialto Tax Allocation Bonds (Merged Project Area), 2005 Series C (Taxable), currently outstanding in the aggregate principal amount of \$16,635,000, (ii) fund a portion of the reserve account for the Non-Housing Bonds or acquire a reserve surety for the Non-Housing Bonds, and (iii) pay the costs of issuance of the 2015 Series B Bonds. The 2015 Series C Bonds are being issued to (i) refund all of the Redevelopment Agency of the City of Rialto Tax Allocation Housing Set-Aside Bonds (Merged Project Area), 2005 Series B (Taxable), currently outstanding in the aggregate principal amount of \$9,045,000, (ii) fund a reserve account for the 2015 Series C Bonds or acquire a reserve surety for the 2015 Series C Bonds, and (iii) pay the costs of issuance of the 2015 Series C Bonds.

The Bonds are special obligations of the Successor Agency and debt service on the Bonds is payable from the pledged Tax Revenues and amounts held in the Special Fund and the Redemption Fund, and the Successor Agency is not obligated to pay them except from the Tax Revenues and amounts held in the Special Fund and the Redemption Fund. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Tax Revenues and amounts held in the Special Fund and the Redemption Fund, and such amounts constitute a trust fund for the security and payment of the interest on and the principal of the Bonds. The Bonds are not a debt of the City of Rialto (the “City”), the State of California or any of its political subdivisions (other than the Successor Agency), and neither said City, said State nor any of its political subdivisions (other than the Successor Agency) is liable therefor, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Successor Agency.

On June 29, 2011, the California Legislature and Governor enacted Assembly Bill x1 26 (AB 1x 26), which generally dissolved redevelopment agencies statewide as of February 1, 2012. The bill was challenged by a suit filed before the California Supreme Court, but was upheld by the Court on December 29, 2012. On June 27, 2012 Assembly Bill 1484 (AB 1484) was signed into law, modifying and supplementing ABx1 26. In accordance with Section 34177.5(g) of the California Health and Safety Code, the Successor Agency bonds shall be considered indebtedness incurred by the dissolved redevelopment agency, with the same legal effect as if the bonds, indebtedness, financing agreement, or amended enforceable obligation had been issued, incurred, or entered into prior to June 29, 2011, in full conformity with the applicable provisions of the

California Community Redevelopment Law (being Part 1 of Division 24 of the Health and Safety Code and is being referred to herein as the "Law") that existed prior to that date, shall be included in the successor agency's Recognized Obligation Payment Schedule (the "ROPS"), and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund (the "RPTTF").

On July 2, 2002, the Agency merged its four existing redevelopment project areas and added additional territory to create the Project Area. Tax revenues generated by the component redevelopment project areas of the Project Area formerly known as the Industrial Redevelopment Project (Industrial), Agua Mansa Redevelopment Project (Agua Mansa), Gateway Redevelopment Project (Gateway), Central Business District Redevelopment Project (CBD) and the Merger Annex Project Area (Added Territory). The California Community Redevelopment Law (the Law) provides for the creation of redevelopment agencies by cities and counties for the purpose of the elimination of blight. The Law, together with Article 16, Section 16 of the California Constitution, authorizes redevelopment agencies to receive that portion of property tax revenue generated by project area taxable values that are in excess of the Base Year value. The Base Year value is defined as the amount of the taxable values within the project area boundaries on the last equalized tax roll prior to adoption of the project area. The amount of current year taxable value that is in excess of the Base Year value is referred to as incremental taxable value. Tax revenues generated from the incremental taxable value are generally referred to as Tax Increment Revenues. The Law provides that the Tax Increment Revenues may be pledged by the redevelopment agency to the repayment of agency indebtedness.

In this report, Tax Increment Revenues with the addition of Unitary Tax Revenue (see Section IV, Allocation of State Assessed Unitary Taxes) are referred to as Gross Tax Revenues. Adjusted Gross Tax Revenues are defined herein as Gross Tax Revenues less the payments made from the Gateway Project Area pursuant to Section 33676 Base Year Inflationary Adjustments. For purposes of this report, Tax Revenues are defined as Adjusted Gross Tax Revenues less; (i) the SB 2557 County Administrative fees and collection charges (see Section IV, County Collection Charges); (ii) amounts pledged for payment of debt service on bonds secured by the former Housing Set-Aside Requirement (see Section V); and, (iii) tax sharing payments and disposition and development agreement and owner participation agreement payments that have a lien on Tax Revenues that is superior to the lien on Tax Revenues of debt service on the Bonds (see Section VII, Tax Sharing Agreements and Other Obligations). Net Tax Revenues are defined as Tax Revenues less tax sharing payments and disposition and development agreement and owner participation agreement payments that have a lien on Tax Revenues that is subordinate to the lien on Tax Revenues of debt service on the Bonds.

The purpose of this fiscal consultant report (the Report) is to examine the assessed values of the current fiscal year and project for nine fiscal years the amount of tax increment revenues anticipated to be received by the Agency from each of the component project areas that make up the Project Area. The Law and the limits within the component redevelopment plans determine the amount of Project Area Gross Tax Revenues. The amount of the Tax Revenues available for the payment of debt service on the Bonds is also affected by prior obligations undertaken by the Agency. Based on our research, we project that the Tax Revenues that will be pledged to the payment of debt service on the Bonds will be as shown in Table A below.

<b>Table A</b>						
<b>Project Area Tax Revenues</b>						
(000's omitted)						
<b>Fiscal Year</b>	<b>Industrial</b>	<b>Agua Mansa</b>	<b>Gateway</b>	<b>CBD</b>	<b>Added Territory</b>	<b>Project Area</b>
2014-15	\$5,112	\$3,421	\$488	\$698	\$10,210	<b>\$19,930</b>
2015-16	5,077	3,408	476	734	10,482	<b>20,177</b>
2016-17	5,171	3,475	486	758	10,759	<b>20,649</b>
2017-18	5,266	3,543	497	783	11,042	<b>21,131</b>
2018-19	5,363	3,613	507	809	11,331	<b>21,622</b>
2019-00	5,462	3,684	518	835	11,625	<b>22,123</b>
2000-21	5,563	3,756	529	861	11,925	<b>22,634</b>
2021-22	5,665	3,830	540	888	12,231	<b>23,155</b>
2022-23	5,770	3,905	551	916	12,544	<b>23,686</b>
2023-24	5,878	3,982	563	944	12,862	<b>24,228</b>

Based on our research, we project that the Housing Set-Aside Revenues that will be pledged to the payment of debt service on the existing and 2015C Housing Bonds will be as shown in Table B below.

<b>Table B</b>						
<b>Project Area Housing Set-Aside Revenues</b>						
(000's omitted)						
<b>Fiscal Year</b>	<b>Industrial</b>	<b>Agua Mansa</b>	<b>Gateway</b>	<b>CBD</b>	<b>Added Territory</b>	<b>Project Area</b>
2014-15	\$1,447	\$1,334	\$171	\$233	\$2,576	<b>\$5,762</b>
2015-16	1,438	1,344	170	245	2,645	<b>5,843</b>
2016-17	1,465	1,370	174	254	2,715	<b>5,977</b>
2017-18	1,492	1,397	178	262	2,786	<b>6,114</b>
2018-19	1,519	1,424	182	271	2,859	<b>6,254</b>
2019-00	1,547	1,452	185	279	2,933	<b>6,397</b>
2000-21	1,576	1,480	189	288	3,009	<b>6,543</b>
2021-22	1,605	1,509	194	297	3,086	<b>6,691</b>
2022-23	1,635	1,539	198	306	3,165	<b>6,843</b>
2023-24	1,665	1,569	202	316	3,246	<b>6,997</b>

The taxable values of property and the resulting Tax Revenues for each portion of the Project Area summarized above are reflected on Tables 1 and 2 of the projections (attached). These projections are based on assumptions determined by our review of the taxable value history of the Project Area and the property tax assessment and property tax apportionment procedures of San Bernardino County (the County). The projection illustrates the entire amount of Tax Revenues projected as being available from each portion of the Project Area. It is assumed that the Agency will continue to have sufficient debt and debt service, as defined in the redevelopment plans, to capture all of the available Tax Revenue. Future year assessed values and Tax Revenues are projections based upon the assumptions described in this Report, and are not guaranteed as to accuracy. This Report is not to be construed as a representation of such by HdL Coren & Cone.

## II. The Project Area

On July 2, 2002 the City Council of the City of Rialto adopted Ordinance No. 1333 which formed a redevelopment plan which merged four existing redevelopment project areas into a single project area and incorporated 3,436 acres of additional territory. The four original redevelopment plans were the Industrial, Agua Mansa, Gateway and Central Business District Redevelopment Plans. The original redevelopment plans had been previously amended by the adoption of Ordinance No. 1332 which revised or eliminated certain plan limits pursuant to Health and Safety Code Section 33333.5(e)(2). The original project areas and the Added Territory are described below.

### **Industrial Redevelopment Project**

The Industrial Redevelopment Project was adopted on July 17, 1979 by Ordinance No. 782 and consists of two noncontiguous areas totaling 2,017 acres. The larger of these two areas is generally located north of Baseline Road, east of Alder Avenue, south of Casa Grande Drive and west of Spruce Avenue. The southern and smaller area is generally north of Merrill Avenue, east of Linden Avenue, south of Rialto Avenue and west of Lilac Avenue. The majority of the assessed value within this portion of the Project Area is in industrial use (53.46%) and unsecured value (24.39%). There are 164 vacant parcels within Industrial.

### **Agua Mansa Redevelopment Project**

The Agua Mansa Redevelopment Project was adopted on July 19, 1988 by Ordinance No. 1037 and consists of a single area located south of Interstate Highway 10 and totaling 1,209 acres. This portion of the Project Area is more particularly located north of Agua Mansa Road, east of Cactus Avenue, south of Interstate Highway 10 and west of the Rialto City limits. The assessed value of this portion of the Project Area is mainly in industrial use (59.53%) and unsecured value (30.2%). There are 89 vacant parcels within Agua Mansa.

### **Gateway Redevelopment Project**

The Gateway Redevelopment Project was adopted on December 17, 1985 by Ordinance No. 945 and consists of a single area located on both sides of Interstate Highway 10 and totaling 428 acres. This portion of the Project Area is more particularly located north of Slover Avenue, east of Cactus Avenue, south of San Bernardino Avenue and west of the Rialto City limits. Interstate Highway 10 runs through the middle of this portion of the Project Area. The area also contains a substantial amount of train yard facilities. The assessed value of this portion of the Project Area is mainly in commercial (50.37%) and industrial (29.19%) use. There are 28 vacant parcels within Gateway.

### **Central Business District Redevelopment Project**

The Central Business District Redevelopment Project was adopted on June 5, 1990 by Ordinance No. 1101 and consists of a single area located on both sides of Riverside Avenue and totaling 445 acres. This portion of the Project Area is more particularly located north of Merrill Avenue, east of Cactus Avenue, south of Foothill Boulevard and west of Sycamore Avenue. This portion of the Project Area contains the original downtown area of the City and consists substantially of residential (55.56%) and commercial uses (23.3%) and contains a large amount of unsecured value (10.05%). There are 95 vacant parcels within CBD.

### **Added Territory**

With the adoption of the Project Area on July 2, 2002 by Ordinance No. 1333, substantial new territory was added to the original redevelopment project areas as part of the merger process. The Added Territory



consists of three noncontiguous areas totaling 3,436 acres. These areas are distributed throughout the city. There are a total of 482 vacant parcels in the Added Territory with a combined assessed value of \$66.2 million. The extension of the Foothill Freeway runs through the area and will front on a number of commercial and industrial parcels. There is a great deal of potential for development of new commercial, industrial and residential development.

Sub-area A totals approximately 1,427 acres and is located north of Baseline Road and east of the City's easterly boundary. It is further located to the east and west of Industrial. The City's General Plan has designated land uses within Sub-area A as industrial, commercial, public uses and includes three small residential areas located along Baseline Road and to the north of the Rialto Municipal Airport. Sub-area A will be bisected by the extension of the Foothill Freeway (State Highway 210).

Sub-area B totals approximately 1,679 acres. It fills the area between the two non-contiguous portions of Industrial and is further adjacent to CBD. The City's General Plan designates land uses within Sub-area B as primarily residential and commercial uses along with open space and public uses. Sub-area B is located in the central portion of the City and contains mostly older, existing developments. Sub-area C totals approximately 330 acres and is located in an area that abuts Industrial, CBD, Gateway and Agua Mansa. It extends southerly into the more industrialized area of the City.

The Added Territory is diversified in its land use designations. Residential land uses make up 32.3% of the Added Territory's assessed value for 2014-15. Industrial land makes up 30.0% of the current year assessed values followed by commercial land uses at 17.6% and vacant land uses at 9.2%.

**A. Land Use**

Table C represents the breakdown of land use in the Project Area by the number of parcels and by assessed value for fiscal year 2014-15. Unsecured and SBE non-unitary values are connected with parcels that are already accounted for in other categories. It should be noted that the figures below include the net taxable value for all parcels. This information is based on County land use designations as provided by the County.

<b>Table C</b>			
<b>Project Area Land Use Summary</b>			
Category	No. Parcels	Net Taxable Value	% of Total Value
Residential	3,513	\$594,875,066	18.87%
Commercial	463	415,194,588	13.17%
Industrial	349	1,297,424,738	41.16%
Dry/Irrigated Farm	3	746,274	0.02%
Recreational	6	2,257,656	0.07%
Institutional	36	10,809,848	0.34%
Government	5	8,952,145	0.28%
Miscellaneous	51	6,409,416	0.20%
Vacant Land	635	270,702,330	8.59%
Exempt	490	0	0.00%
<b>Subtotals:</b>	<b>5,551</b>	<b>\$2,607,372,061</b>	<b>82.72%</b>
SBE Non-unitary		754,444	0.02%
Unsecured		543,737,129	17.25%
<b>Totals:</b>	<b>5,551</b>	<b>\$3,151,863,634</b>	<b>100.00%</b>

The vacant parcels within the Project Area total 1,516.36 acres according to Assessor's maps and other County records. The following Table D breaks down the vacant parcels for each of the component project areas.

<b>Table D</b>		
<b>Vacant Land Summary</b>		
	<u>No. Vacant Parcels</u>	<u>Acres</u>
Industrial	128	424.72
Agua Mansa	81	308.38
Gateway	25	34.26
CBD	85	21.46
Added Territory	<u>316</u>	<u>727.54</u>
Totals	635	1,516.36

**B. Redevelopment Plan Limits**

Chapter 942, Statutes of 1993 (See Section VI B below), as codified in Section 33333.6 of the Law, limits the life of redevelopment plans adopted prior to January 1, 1994 to 40 years from the date of adoption or January 1, 2009, whichever is later. It also limits the period within which a redevelopment project area may receive tax increment to the life of the redevelopment plan plus ten years beyond the termination of redevelopment activities except to accommodate certain specific low and moderate-income housing obligations or to pay debt service on bonds, indebtedness or other financial obligations authorized prior to January 1, 1994. Such redevelopment plans are further required to include a limitation on the number of tax increment dollars that may be allocated to the redevelopment agency; a time limit on the establishing of indebtedness to be repaid with tax increment; and a limit on the amount of bonded indebtedness to be repaid with tax increment that can be outstanding at one time. These limits can be extended only by an amendment of the redevelopment plan.

For redevelopment plans adopted prior to 1994, Chapter 942 stipulates that the time limit for establishing indebtedness shall not exceed 20 years from the adoption of the redevelopment plan or January 1, 2004, whichever is later. Chapter 741, Statutes of 2001, was adopted under SB 211 and amends several sections of the Law that control time limitations for redevelopment project areas. Limitations, that under prior legislation could not be amended or had different amendment procedures, in accordance with this section, may be modified through project area amendments as set forth in this section of the Law (see Section VI, Legislation). On July 2, 2002 the City Council adopted Ordinance No. 1332 which amended each of the original redevelopment plans such that the time limits for establishment of loans, advances and indebtedness were eliminated.

Pursuant to Senate Bills 1045 (see Section VI) the Agency has extended the term of redevelopment plan effectiveness of all component project areas by one year with the adoption of Ordinance No. 1348 on April 19, 2004. This extension in turn extends the terms of the redevelopment plan's effectiveness and the period within which the project areas may repay indebtedness by one year. Pursuant to Senate Bill 1096 (see Section VI) the Agency has extended the term of the redevelopment plan and the period within which the Agency may repay indebtedness within Industrial by two additional years through the adoption of Ordinance No. 1370 on April 5, 2005. This two year extension of the time limits for Industrial is predicated upon the

payment by the Agency of its ERAF obligation for 2005 and 2006. The payment of these obligations was required by law and the Agency made the required payments.

The Added Territory was adopted under the time limits applied by Chapter 942 as modified by the adoption of Ordinance 1348 (See above). The redevelopment plan for the Added Territory shall no longer be effective thirty-one years after the effective date of its adoptive ordinance and no new debt to be repaid from tax increment revenues shall be incurred after twenty years from the adoption date. The Agency may not repay indebtedness in the Added Territory beyond forty-six years from the adoption date. There is no limit on the amount of tax increment revenue that may be received from the Added Territory.

The redevelopment plan limits currently governing the various portions of the Project Area redevelopment plans are summarized in Table E below:

<b>Table E</b>				
<b>Project Area Plan Limits</b>				
<b>Project Area</b>	<b>Termination of Project Activities</b>	<b>Last Date to Repay Debt with Tax Revenue</b>	<b>Tax Increment Limit</b>	<b>Limit on Outstanding Bond Debt</b>
Industrial	August 16, 2022	August 16, 2032	\$300 million	\$100 million
Agua Mansa	July 19, 2029	July 19, 2039	\$270 million	\$90 million
Gateway	January 16, 2027	January 16, 2037	\$90 million	\$30 million
CBD	July 5, 2031	July 5, 2041	\$289 million	\$100 million
Added Territory	July 2, 2033	July 2, 2048	N/A	\$165 million

Within Industrial, the Agency has received a total of \$85,773,287 in tax increment revenue through 2013-14. Based on the assumptions used in our projection, the increment revenues will not reach Industrial's tax increment limits within the period that it will be able to repay indebtedness. If the annual growth in tax increment revenues exceeds 5.5%, Industrial may indeed reach the limitation prior to expiration of the effectiveness of the redevelopment plan. Within Agua Mansa the Agency has received a total of \$75,577,507 in tax increment revenue through 2013-14. Based on the assumptions used in our projection, the increment revenues will reach Agua Mansa's tax increment limits during fiscal year 2037-38. If the growth in tax increment revenues exceeds the projected levels Agua Mansa may reach its tax increment limit earlier. Within Gateway and CBD, the Agency has received \$13,189,386 and \$15,479,002 respectively through 2013-14. According to the projection, neither Gateway nor CBD will reach their tax increment limits based on the assumptions in our projections, however, in the event that Gateway experiences ongoing growth in assessed values that exceeds 4.25% annually it may reach its tax increment limit prior to reaching its last date to repay indebtedness. CBD would have to increase in value by 11.5% annually in order for this component project area to exceed its cumulative tax increment limit prior to reaching its last date to repay indebtedness. The Added Territory does not have a tax increment limit, however, through 2013-14 it has been allocated a total of \$87,849,991.

On April 2, 2014, Justyn Howard, Assistant Program Budget Manager for the California Department of Finance, wrote a letter to Mary Jo Walker, the Auditor-Controller of the County of Santa Cruz, outlining the Department of Finance's opinion on the applicability of redevelopment plan tax increment limits for the former redevelopment project areas that were dissolved by State legislation in 2011 (see Section VI – Legislation Affecting Tax Revenues). It is the opinion of the Department of Finance (the DOF) that the tax increment limits within the former redevelopment plans that had not been reached prior to redevelopment

dissolution are inconsistent with the purpose and intent of the redevelopment dissolution statutes. This is only the opinion of DOF and does not have any force of law. The San Bernardino County Auditor-Controller has determined that it will continue to enforce the tax increment limits contained in the redevelopment plans. The projections have assumed that the redevelopment plan limits will be applied.

On January 9, 2015, the Governor announced this budget proposal for FY 2015-16. Among several other proposed revisions to the laws that dissolved the former redevelopment agencies, the Governor is proposing to include language in the dissolution legislation that specifies that the tax increment limits and the time limits contained in the redevelopment plans for the former project areas will no longer be enforceable. Under this proposed change, the Successor Agency would continue to be allocated revenue from all former project areas through the RPTTF until such time as all enforceable obligations have been repaid. The legislation that will implement these proposals has been introduced in the Legislature as AB 113, a budget trailer bill, and has been approved by the Assembly. It is currently being heard in the Senate. For purposes of this report and the projections, we have assumed the continued enforcement of the tax increment and time limits by the County Auditor-Controller pending the possible approval of AB 113.

### **III. Project Area Assessed Values**

#### **A. Assessed Values**

Taxable values are prepared and reported by the County Auditor-Controller each fiscal year and represent the aggregation of all locally assessed properties that are part of each Project Area. The assessments are assigned to Tax Rate Areas (TRA) that are coterminous with the boundaries of the Project Area. The historic reported taxable values for the original project areas were reviewed in order to ascertain the rate of taxable property valuation growth over the most recent ten fiscal years beginning with 2004-05. Between 2004-05 and 2013-14 the taxable value within the Project Areas increased by \$1,395,717,158 (97.02%) in the aggregate, although such growth was not experienced uniformly among each of the original project areas. This represents an average annual growth of 9.7% despite reductions in value that occurred in fiscal years 2009-10, 2010-11 and 2011-12. Modest growth in 2012-13 and 2013-14 has recovered approximately 47.3% of the value lost in those three years.

Assessed values increased substantially for 2014-15. Within the Merged Project Area, values rose by a combined \$308.9 million (10.86%). Secured values increased by \$252.1 million (10.7%) and unsecured values increased by \$56.7 million (11.65%). Growth by component project area is shown in Table E below. The largest increase was among industrial properties that grew by \$165.1 million (15.1%) in taxable value with the second largest source of growth being among unsecured assessments. Residential values benefitted from a more aggressive recovery of value declines that have occurred over the past several years as a result of Prop 8 reductions. Residential values increased by \$41.8 million (7.6%) over the values for 2013-14.

The component project areas have all grown substantially since 2004-05. Each of the component project areas experienced some amount of value loss during the period of 2008-09 through 2012-13. In most of the years in question, however, values increased by more than 10% over the prior year through 2008-09. The table below shows the taxable values for each of the component project areas and the percentage by which these values have increased above the prior year values.

**Table F**  
**Taxable Value History and Percentage Growth from Prior Year**  
**By Component Project Area**

	<u>Industrial</u>	<u>Agua Mansa</u>	<u>Gateway</u>	<u>CBD</u>	<u>Added Territory</u>
<b>2004-05</b>	\$297,901,795	\$324,985,194	\$72,254,681	\$145,306,458	\$598,066,446
<b>2005-06</b>	\$315,239,826 5.82%	\$355,257,109 9.31%	\$75,580,057 4.60%	\$161,297,179 11.00%	\$750,914,521 25.56%
<b>2006-07</b>	\$364,762,467 15.71%	\$418,219,997 17.72%	\$82,686,779 9.40%	\$187,346,765 16.15%	\$992,991,417 32.24%
<b>2007-08</b>	\$496,758,752 36.19%	\$536,558,211 28.30%	\$96,860,776 17.14%	\$210,637,082 12.43%	\$1,272,527,756 28.15%
<b>2008-09</b>	\$540,365,168 8.78%	\$572,470,173 6.69%	\$85,977,362 (11.24%)	\$216,778,228 2.92%	\$1,531,802,170 20.37%
<b>2009-10</b>	\$609,328,318 12.76%	\$559,512,093 (2.26%)	\$85,485,250 (0.57%)	\$195,705,276 (9.72%)	\$1,442,166,533 (5.85%)
<b>2010-11</b>	\$551,389,490 (9.51%)	\$641,256,900 14.61%	\$85,487,202 0.00%	\$172,840,439 (11.68%)	\$1,358,013,261 (5.84%)
<b>2011-12</b>	\$531,909,022 (3.53%)	\$568,907,117 (11.28%)	\$85,314,612 (0.20%)	\$171,507,815 (0.77%)	\$1,350,656,589 (0.54%)
<b>2012-13</b>	\$544,933,155 2.45%	\$609,283,099 7.10%	\$84,804,092 (0.60%)	\$169,727,656 (1.04%)	\$1,387,340,489 2.72%
<b>2013-14</b>	\$577,041,562 6.06%	\$592,226,945 (2.80%)	\$85,661,854 1.01%	\$174,894,151 3.04%	\$1,413,594,186 1.89%
<b>2014-15</b>	\$647,300,054 12.51%	\$613,543,137 3.88%	\$86,307,997 0.89%	\$182,572,677 8.33%	\$1,622,139,769 14.75%

The detailed history of assessed values for each of the component project areas from 2005-06 to 2014-15 is illustrated on Table 3 (attached) for each project area tax increment projection.

### B. Top Ten Taxable Property Owners

A review of the top ten taxpayers in the Project Area for fiscal year 2014-15 was conducted and broken down within each of the component project areas. Within the Project Area, the aggregate total taxable value for the ten largest taxpayers totaled \$1,014,060,596. This amount is 40.25% of the \$2,519,598,710 Project Area incremental value. The top taxpayer in the Project Area is Target Corporation that controls 17 secured parcels and 2 unsecured valuations at a combined valuation of \$301,001,277. The value of the Target Corporation parcels is 11.95% of the Project Area's total incremental value. The second largest taxpayer in the Project Area is Prologis-MacQuarie that controls a total of \$235,969,763 in secured and unsecured assessed value. This amount is 9.37% of the Project Area's incremental value. Table F below illustrates the percentage of incremental value for the top ten taxpayers in the Project Area and their relative importance to the incremental value of the Project Area.

Among the top ten taxpayers, three have filed assessment appeals that are currently pending. These include Prologis-MacQuarie, the number two taxpayer; Staples the Office Superstore, the number six taxpayer; and Locust and Linden Fund IX LLC, the number ten taxpayer. The details of these pending assessment appeals are discussed in Section IV F (Assessment Appeals) below. Potential reductions in value that may result from these appeals have been considered in the projections of tax increment revenue for the component project areas.

**Table G**  
**Top Ten Property Taxpayers for the Merged Project Area**

Property Owner	Combined Value	% of Total Assessed Value	% of Total Incremental Value	Component Project Area
Target Corporation	\$301,001,277	9.55%	11.95%	Added Territory/Industrial
Prologis-MacQuarie	235,969,763	7.49%	9.37%	Added Territory/Agua Mansa
Teachers Insurance and Annuity	109,243,725	3.47%	4.34%	Added Territory
FedEx Ground Package System	85,692,590	2.72%	3.40%	Agua Mansa
Toys 'R' Us – Delaware Inc.	60,582,610	1.92%	2.40%	Industrial
Staples the Office Superstore	50,167,219	1.59%	1.99%	Agua Mansa
SFPP LP	47,728,080	1.51%	1.89%	Agua Mansa
I-210 Logistics Center Fund X LLC	46,801,197	1.48%	1.86%	Industrial
100 Cedar Avenue LLC	45,547,016	1.44%	1.81%	Industrial
Locust and Linden Fund	31,327,119	0.99%	1.24%	Industrial
<b>Top Taxpayer Total Value</b>	<b>\$1,014,060,596</b>			
<b>Project Area Assessed Value</b>	<b>\$3,151,863,634</b>	<b>32.17%</b>		
<b>Project Area Inc. Value</b>	<b>\$2,519,186,521</b>		<b>40.25%</b>	

#### IV. Tax Allocation and Disbursement

##### A. Property Taxes

The taxable values of property are established each year on the January 1 property tax lien date. Real property values reflect the reported assessed values for secured and unsecured land and improvements. The base year value of a parcel is the value established as the full market value upon a parcel's sale, improvement or other reassessment. Article XIII A of the California Constitution (Proposition 13) provides that a parcel's base year value is established when locally assessed real property undergoes a change in ownership or when new construction occurs. Following the year a parcel's base year value is first enrolled, the parcel's value is factored annually for inflation. The term base year value does not, in this instance, refer to the base year value of the Project Areas. Pursuant to Article XIII A, Section 2(b) of the State Constitution and California Revenue and Taxation Code Section 51, the percentage increase in the parcel's value cannot exceed 2% of the prior year's value.

Secured property includes property on which any property tax levied by a county becomes a lien on that property. Unsecured property typically includes value for tenant improvements, fixtures, inventory and personal property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other secured property owned by the taxpayer. The taxes levied on unsecured property are levied at the previous year's secured property tax rate. Utility property assessed by the State Board of Equalization (the Board) may be revalued annually and such assessments are not subject to the inflation limitations established by Proposition 13. The taxable value of Personal Property is also established on the lien dates and is not subject to the annual 2% limit of locally assessed real property.

Each year the Board announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. Through 2010-11 there were six occasions when the inflation factor has been less than 2%. Until 2010-11 the annual adjustment never resulted in a reduction to the base year values of individual parcels, however, the factor that was applied to real property assessed values for the January 1, 2010 assessment date was a -0.237% and this resulted in a reductions to the adjusted base year value of parcels. The changes in the California Consumer Price Index (CCPI) from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. Table H below reflects the inflation adjustment factors for the current fiscal year, ten prior fiscal years and the adjustment factor for the next fiscal year.

<b>Table H</b>	
<b>Historical Inflation Adjustment Factors</b>	
<u>Fiscal Year</u>	<u>Inflation Adj. Factor</u>
2003-04	2.000%
2004-05	1.867%
2005-06	2.000%
2006-07	2.000%
2007-08	2.000%
2008-09	2.000%
2009-10	2.000%
2010-11	-0.237%
2011-12	0.753%
2012-13	2.000%
2013-14	2.000%
2014-15	0.454%
2015-16	1.998%

On December 5, 2014, the Board determined that the inflationary adjustment for 2015-16 would be 1.998%. For purposes of the projection we have assumed that the inflation adjustment factor for fiscal years beyond 2015-16 will be 2.00%. This assumption is based on the fact that the inflation adjustment factor has been at the maximum allowed amount of 2.00% in 31 of the 39 years since the adoption of Proposition 13. We believe that assuming the resumption of a 2.00% inflation adjustment factor is justified by historical experience.

**B. Supplemental Assessments**

Chapter 498 of the Statutes of 1983 provides for the reassessment of property upon a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year's tax rate to the amount of the increase or decrease in a property's value and prorating the resulting property taxes to reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against Real Property.

Since 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as regularly collected property taxes. The receipt of Supplemental Assessment Revenues by taxing entities typically follows the change of ownership by a year or more. We have **not** included revenues resulting from Supplemental Assessments in the projections.



### **C. Tax Rates**

Tax rates will vary from area to area within the State, as well as within a community and a project area. The tax rate for any particular parcel is based upon the jurisdictions levying the tax rate for the area where the parcel is located. The tax rate consists of the general levy rate of \$1.00 per \$100 of taxable value and the over-ride tax rate. The over-ride rate is that portion of the tax rate that exceeds the general levy tax rate and is levied to pay voter approved indebtedness or contractual obligations that existed prior to the enactment of Proposition 13.

A Constitutional amendment approved in June 1983 allows the levy of over-ride tax rates to repay indebtedness for the acquisition and improvement of real property, upon approval by a two-thirds vote. A subsequent amendment of the Constitution prohibits the allocation to redevelopment agencies of tax revenues derived from over-ride tax rates levied for repayment of indebtedness approved by the voters after December 31, 1988. Tax rates that were levied to support any debt approved by voters after December 31, 1988 were not allocated to redevelopment agencies. The over-ride tax rates typically decline each year as a result of (1) increasing property values (which would reduce the over-ride rate that must be levied to meet debt service) and (2) the eventual retirement of debt over time.

Section 34183(a)(1) of the Law as amended by AB1x 26 requires the Auditor Controller to allocate all revenues attributable to tax rates levied to make annual repayments of the principal and interest on any bonded indebtedness for the acquisition or improvement of real property to the taxing entity levying the tax rate. This has been interpreted by the County to include none of the revenues resulting from all over-ride tax rates that were previously being allocated to redevelopment agencies based on their determination that these tax rates are not being levied for repayment of indebtedness for acquisition or improvement of real property. As a result, the tax increment revenues being deposited into the RPTTF include all revenues derived from the general levy tax rate and all revenues derived from over-ride tax rates that had been included in tax increment revenues prior to the dissolution of redevelopment agencies.

The Project Area contains a total of 24 Tax Rate Areas (TRAs). A Tax Rate Area is a geographic area within which the taxes on all property are levied by a certain set of taxing entities. These taxing entities each receive a prorated share of the general levy and those taxing entities with voter approved over-ride tax rates receive the revenue resulting from that over-ride tax rate. The tax increment projections are based on the published tax rates for 2014-15. Within the various TRAs there are two applicable tax rates. These tax rates contain only the debt service over-ride rates that have been levied by either the San Bernardino Valley Municipal Water District or the Metropolitan Water District. Because these over-ride tax rates were approved by voters prior to January 1, 1989 the revenue derived from them within Project Area TRA's are paid to the Agency. Due to the nature of the 2014-15 tax rates they is expected that the currently levied over-ride tax rates will remain the same through fiscal year 2034-35. Beginning in fiscal year 2035-36 the override tax rate for the San Bernardino Valley Municipal Water District and the Metropolitan Water District will no longer be levied. School Districts within the Project Area levy over-ride tax rates that were approved by voters after January 1, 1989. Revenue from these tax rates are paid directly to the districts by the Auditor-Controller and have no effect on the revenues of the Agency. Table I illustrates the tax rate that is applicable to the TRAs within the Project Area.



<b>Table I</b>		
<b>Project Area Tax Rate for 2014-15</b>		
	Tax Rate 1	Tax Rate 2
Applicable Incremental Value	\$406,848,623	\$2,112,337,898
Percentage of Total Incremental Value	16.15%	83.85%
General Levy	\$1.0000	\$1.0000
San Bernardino Valley MWD		0.1625
Metropolitan Water District	0.0035	
<b>RDA Tax Rate per \$100 of Taxable Value</b>	<b>\$1.0035</b>	<b>\$1.1625</b>

**D. Allocation of Taxes**

Taxes on secured property values paid by property owners are due in two equal installments on November 1 and on February 1 and become delinquent on December 10 and April 10. Taxes on unsecured property are due March 1 and become delinquent August 31. Prior to dissolution of redevelopment agencies, the County disbursed secured tax increment revenue to all redevelopment agencies from November through July with approximately 45 percent of secured revenues apportioned by the end of December and a total of 98% of the secured revenues by the end of the following May. Unsecured revenues are disbursed from September through June of each fiscal year with approximately 85% of the unsecured revenues being apportioned in September. The San Bernardino County Auditor-Controller apportions tax increment revenue based on collections and does not utilize the alternative allocation method known as the Teeter Plan. The apportionment schedule described above and the apportionment of tax increment revenue based on collections was in use by San Bernardino County for many years prior to redevelopment dissolution and continues to be the pattern of tax increment revenue allocation.

As of February 1, 2012, the apportionment of tax increment revenue was dictated by the legislation adopted as ABx1 26 (See Legislation, Section VI). Revenue is now apportioned to Successor Agencies on January 2 and June 1 of each fiscal year. All tax increment revenue is accumulated by the County Auditor-Controller in the RPTTF for allocation on these two dates. The tax increment revenue available for allocation on January 2 consists of revenues collected after June 1 of the previous fiscal year and for collections in November and December of the current fiscal year. The tax increment revenues available for allocation on June 1 include revenues collected from January 1 to June 1 of the current fiscal year.

From the amounts accumulated in the RPTTF for each allocation date, the County Auditor-Controller is to deduct its own County administrative charges and is to calculate and deduct amounts owed, if any, to taxing entities for tax sharing agreements entered into pursuant to Section 33401 of the Law and for statutory tax sharing obligations required by Sections 33607.5 and 33607.7 of the Law. The amount remaining after these reductions, if any, is what is available for payment by the Successor Agency of debt obligations of the former redevelopment agency.

Prior to receiving revenues on January 2 and June 1, the Successor Agency must adopt a Recognized Obligation Payment Schedule (ROPS) that lists the debt obligations of the former redevelopment agency that must be paid during the upcoming six month periods of January 1 through June 30 and July 1 through December 31. There is a provision in the legislation for a Successor Agency to request additional amounts in one ROPS payment to allow it to make payments that may be beyond the revenues available in the upcoming allocation cycle. The ROPS must be submitted at least 90 days prior to each RPTTF allocation date and

approved by the Successor Agency's Oversight Board that is established in the legislation with membership consisting of representatives from various taxing entities. The ROPS must also receive approval from the State Department of Finance (the "DOF"). Filing ROPS statements is mandated by statute and penalties are incurred if they are filed late or if they are not filed at all.

The Successor Agency is entitled to receive an amount to cover the administrative costs of winding down the business of the former redevelopment agency. This amount is set by AB1x 26 at the greater of \$250,000 per year or a maximum of 3% of the amount allocated from the RPTTF. AB 1484 added language that allowed the Oversight Board to reduce the amount of the minimum administrative allowance. To the extent that revenues are insufficient to pay all of the approved ROPS obligations, the Successor Agency's administrative allowance will be reduced or eliminated. Successor Agency administrative allowance amounts that have been approved but cannot be paid due to a lack of RPTTF revenue will be carried over to the next RPTTF allocation for payment as funds become available.

If there are RPTTF amounts remaining after reductions for County administrative charges, amounts owed, if any, to taxing entities for tax sharing agreements entered into pursuant to Section 33401 of the Law, enforceable obligations and Successor Agency administrative allowance, these remainder amounts are referred to as Residual Revenue. Residual Revenue for each allocation cycle is proportionately allocated to the taxing entities and to the Educational Revenue and Augmentation Fund (ERAF). The legislation stipulates that the combination of tax sharing payments and Residual Revenue payments to tax entities may not exceed that taxing entity's full share of tax increment revenue. In circumstances where a taxing entity receives all or most of its share of tax increment revenue as a result of its tax sharing agreement, that taxing entity's share of the Residual Revenue distribution may be reduced and the portions of Residual Revenue allocated to the other taxing entities will be proportionately increased. (See Section VII – Tax Sharing Agreements and Other Obligations, below)

The forms and procedures used by a successor agency to submit its ROPS to its Oversight Board and to the DOF are dictated by the legislation as interpreted by DOF.

**E. Annual Tax Receipts to Tax Levy**

The San Bernardino County Auditor-Controller apportions tax revenues to the RPTTF based upon the amount of the tax levy that is received from the taxpayers. Secured collection rates for the Project Area have been consistently high. The following table illustrates the final tax revenue collections for the previous five fiscal years.

**Table J**  
**Current Year Collection Rates for Prior Five Years**

	<b>Industrial</b>	<b>Agua Mansa</b>	<b>Gateway</b>	<b>CBD</b>	<b>Added Territory</b>
<b>2009-10</b>	95.57%	108.73%	98.93%	86.52%	95.95%
<b>2010-11</b>	95.45%	98.17%	98.85%	89.63%	93.34%
<b>2011-12</b>	87.97%	87.57%	90.92%	92.19%	86.05%
<b>2012-13</b>	96.19%	86.76%	94.57%	91.93%	93.23%
<b>2013-14</b>	96.81%	98.65%	91.18%	94.24%	103.62%

**F. Assessment Appeals**

Assessment appeals data from San Bernardino County has been reviewed to determine the potential impact that pending appeals may have on the projected Tax Revenues. We have determined that there are 132

pending appeals within the Project Area. In order to estimate the potential reduction in assessed value that may occur as a result of these pending appeals, we have reviewed the historical averages for the number of appeals allowed and the amount of assessed value removed. We have then applied those averages to the currently pending appeals and estimated the number of pending appeals that may be allowed and the amount of assessed value that may be removed as a result of these pending appeals.

Three of the Project Area's top ten taxpayers have pending appeals of their assessed value. These taxpayers are Prologis-MacQuarie; Staples the Office Superstore and Locust and Linden Fund. The table below summarizes the projected loss of assessed value will result from the assessment appeals that are currently pending within the component project areas.

<b>Table K Assessment Appeals Summary</b>							
<b>Project Areas</b>	<b>Total No. of Appeals</b>	<b>No. of Resolved Appeals</b>	<b>No. of Successful Appeals</b>	<b>Average Reduction</b>	<b>No. &amp; Value of Appeals Pending</b>	<b>Est. No. of Appeals Allowed</b>	<b>Est. Reduction on Pending Appeals Allowed (2015-16 Value Adjustment)</b>
Industrial	107	86	69	28.72%	21 (\$113,172,960)	17	\$26,076,635
Agua Mansa	67	46	30	20.16%	21 (\$72,567,402)	14	\$9,540,315
Gateway	29	19	10	23.05%	10 (\$19,647,633)	5	\$2,383,105
CBD	65	54	26	15.18%	11 (\$9,570,658)	5	\$699,398
Added Territory	319	250	157	22.45%	69 (\$202,486,201)	43	\$28,552,699
<b>Project Area</b>	<b>587</b>	<b>455</b>	<b>292</b>		<b>132 (\$417,444,854)</b>	<b>84</b>	<b>\$67,252,153</b>

### G. County Collection Charges

Chapter 466 (SB 2557) allows counties to recover charges for property tax administration in an amount equal to their 1989-90 property tax administration costs, as adjusted annually. For fiscal year 2012-13, the County collection charges were 0.54% of Gross Revenue within the Project Area. Based on the collection charges for 2013-14, we have projected the charge for 2014-15 and future years as a percentage of Gross Revenue to remain at 0.51%. For purposes of these projections, we have assumed that the County will continue to charge the Agency for property tax administration and that such charge will increase proportionally with any increases in revenue. In addition to the reimbursement allowed under SB 2557, the County levies a .25% collection charge for managing the property tax allocation process. This charge is calculated on the amount of gross property tax revenue allocated to the Successor Agency. This collection charge has been projected and included within calculation of Tax Revenue. The reimbursement amount is uniform among the component project areas.

### H. Allocation of State Assessed Unitary Taxes

Legislation enacted in 1986 (Chapter 1457) and 1987 (Chapter 921) provided for a modification of the distribution of tax revenues derived from utility property assessed by the State Board of Equalization, other than railroads. Prior to the 1988-89 fiscal year, property assessed by the SBE was assessed statewide and was allocated according to the location of individual components of a utility in a tax rate area. Commencing in 1988-89, tax revenues derived from unitary property and assessed by the SBE are accumulated in a single Tax Rate Area for the County. It is then distributed to each taxing entity in the County in the following manner: (1) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to two percent; (2) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro-rata county wide; and (3) any increase in revenue above two percent would be allocated in the same proportion as the taxing entity's local secured taxable values are to the local secured taxable values of the County.

To administer the allocation of unitary tax revenues to redevelopment agencies, the County no longer includes the taxable value of utilities as part of the reported taxable values of the project area, therefore, the base year of project areas have been reduced by the amount of utility value that existed originally in the base year. The Auditor Controller allocated an aggregate total of \$173,138 of unitary tax revenue to the component project areas of the Project Area for 2013-14. For purposes of the projections we estimate that this same amount of unitary tax revenue will be allocated annually for each fiscal year of the projection. The unitary tax revenue amounts allocated for 2013-14 is listed by component project area in Table L below.

<b>Table L</b>	
<b>Unitary Revenue Allocated</b>	
<b>Project Area</b>	<b>Unitary Revenue</b>
Industrial	\$ 75,999
Agua Mansa	35,264
Gateway	8,013
CBD	7,026
Added Territory	<u>46,836</u>
<b>Total:</b>	<b>\$173,138</b>

**V. Low and Moderate Income Housing Set-Aside**

Sections 33334.2 and 33334.3 of the Law required redevelopment agencies to set aside not less than 20 percent of all tax increment revenues from project areas adopted after December 31, 1976 into a low and moderate income housing fund (the "Housing Set-Aside Requirement"). Sections 33334.3, 33334.6 and 33334.7 of the Law extend this requirement to redevelopment projects adopted prior to January 1, 1977. With the adoption of AB1x 26, the Housing Set-Aside Requirement was eliminated. The housing fund into which these set-aside amounts were formerly deposited has been eliminated and any unencumbered amounts remaining in that fund have been identified through a mandated Due Diligence Review. The amounts found to be unencumbered through this Due Diligence Review have been paid to the County and these funds have been allocated to the taxing entities within the former project area. Prior to dissolution of redevelopment agencies, the former Rialto Redevelopment Agency issued bonds secured by a pledge of the Housing Set-Aside Requirement and the Bonds include the refunding of some of these housing bonds. The former redevelopment agency's 2008A Housing Bonds and 2015 Series C Bonds continue to be secured by a pledge of the Housing Set-Aside Requirement. Although the Housing Set-Aside Requirement was eliminated with the dissolution of redevelopment agencies, the obligations secured by the Housing Set-Aside Requirement retain a senior pledge of the former Housing Set-Aside Requirement revenues. For this reason, the projections still reflect the amounts former Housing Set-Aside Requirement at 20% of Adjusted Gross Revenues.

**VI. Legislation**

In order to address State Budget deficits, the Legislature enacted SB 614, SB 844 and SB 1135 that required payments from redevelopment agencies for the 1992-93, 1993-94 and 1994-95 fiscal years into a countywide ERAF. The Former Agency could have used any funds legally available and not legally obligated for other

uses, including agency reserve funds, bond proceeds, earned income, and proceeds of land sales, but not moneys in the Low and Moderate Income Housing Fund (the "Housing Fund") to satisfy this obligation. From 1995-96 to 2001-02, state budgets were adopted with no additional shifting of tax increment revenues from redevelopment agencies, however, the 2002-03 State Budget required a shift of \$75 million of tax increment revenues statewide from redevelopment agencies to ERAF to meet the state budget shortfall. AB 1768 (Chapter 1127, Statutes of 2002) was enacted by the Legislature and signed by the Governor and based upon the methodology provided in the 2002-03 budget, the shift requirement for the former redevelopment agencies to make payments into the ERAF was limited to fiscal year 2002-03 only.

As part of the State's 2003-04 budget legislation, SB 1045 (Chapter 260, Statutes of 2003) required redevelopment agencies statewide to contribute \$135 million to local County ERAF which reduced the amount of State funding for schools. This transfer of funds was limited to fiscal year 2003-04 only. Under the Law as amended by SB 1045, the redevelopment agencies were authorized to use a simplified methodology to amend the individual redevelopment plans to extend by one year the effectiveness of the plan and the time during which the agencies could repay debt with tax increment revenues. In addition, the amount of this payment and the ERAF payments made in prior years were to be deducted from the cumulative tax increment amounts applied to a project area's cumulative tax increment revenue limit. The information shown in Table C above reflects the extension of the time limits and the credit to the cumulative tax increment amounts.

After the State's budget for 2004-05 was approved by the legislature and signed by the Governor, Senate Bill 1096 was adopted. Pursuant to SB 1096, redevelopment agencies within the State were required to pay a total of \$250 million to ERAF for fiscal year 2004-05 and for 2005-06. The payments were due on May 10 of each fiscal year. As in previous years, payments were permitted to be made from any available funds other than the Housing Fund. If an agency was unable to make a payment, it was allowed to borrow up to 50% of the current year Housing Tax Set-Aside Requirement, however, the borrowed amount was required to be repaid to the Housing Fund within 10 years of the last ERAF payment (May 10, 2006). Under SB 1096, redevelopment plans with less than ten years of effectiveness remaining from June 30, 2005, could be extended by one year for each year that an ERAF payment is made. For redevelopment plans with 10 to 20 years of effectiveness remaining after June 30, 2005, the plans may be extended by one year for each year that an ERAF payment is made if the city council could find that the former redevelopment agency was in compliance with specified state housing requirements. These requirements are: 1) that the agency is setting aside 20% of gross tax increment revenues; 2) that housing implementation plans are in place; 3) that replacement housing and inclusionary housing requirements are being met; and, 4) that no excess surplus exists. Table C above reflects these time limit extensions. The former redevelopment agency did not borrow from the Housing Fund as authorized in order to make the required payments for ERAF. As outlined below, the method by which ERAF loans from the Housing Fund may be repaid has been modified by the adoption of AB 1484. The requirement for repayment of these loans by certain dates has been eliminated.

In July, 2009, the Legislature adopted AB 26 4x as a means of implementing a package of 30 bills that were adopted in order to close the State's budget deficit. Under this legislation the former redevelopment agencies statewide were required to pay into their county's "Supplemental" ERAF (the "SERAF"), \$1.7 billion in fiscal year 2009-10 and were required to pay another \$350 million in fiscal year 2010-11. Based on a State Controller formula, the former redevelopment agencies were required to pay the required amounts by May, 2010 and May, 2011 respectively.

Under this legislation, the former redevelopment agencies could use any available funds to make the SERAF payments. If Housing Set-Aside Requirement or Housing Fund amounts were borrowed to make the SERAF payment, the borrowed amounts were required to be repaid to the Housing Fund by June 30, 2015 and June 30, 2016 respectively. Under the requirements of Section 34191.4 amended by AB 1484, however, redevelopment agencies that borrowed from the Housing Fund to make the required SERAF payments for 2010 and for 2011 may only repay the borrowed amounts from annual amounts that are 50% of the increase in annual Residual Revenues that are above the Residual Revenue for fiscal year 2012-13. Repayment amounts are, under current legislation, to be repaid to the Successor Housing Agency established pursuant to AB 1x 26 and AB 1484 (see below). Repayment of SERAF payment amounts borrowed from the Housing Fund may only be repaid from growth in Residual Revenue. As a result, the repayment of these amounts will have no impact on the Successor Agency's ability to repay indebtedness.

AB 1x 26 and AB 1x 27 were introduced in May 2011 as placeholder bills and were substantially amended on June 14, 2011. These bills proposed to dramatically modify the Law as part of the fiscal year 2011-12 State budget legislation. AB 1x 26 would dissolve redevelopment agencies statewide effective October 1, 2011 and suspend all redevelopment activities as of its effective date. AB 1x 27 would allow redevelopment agencies to avoid dissolution by opting into a voluntary program requiring them to make substantial annual contributions to local school and special districts. The bills were signed by the Governor in late June, 2011 and were challenged by a suit filed before the California Supreme Court by the CRA. On December 29, 2011, the Supreme Court ruled that AB 1x 27 was unconstitutional and that AB 1x 26 was not unconstitutional. On June 27, 2012 the legislature passed and the Governor signed Assembly Bill 1484. This legislation made certain revisions to the language of AB 1x 26 based on experience after its implementation.

Once the obligations of the former redevelopment agencies have been recognized as Enforceable Obligations, the Successor Agency is obliged to manage the repayment of those Enforceable Obligations through the semiannual adoption of ROPS by the Oversight Board that is made up of representatives of taxing entities within the former redevelopment agency. Membership of the Oversight Board is dictated by Section 34179 of the Law. After 2016, there will be a single Oversight Board in each county that will be responsible for adoption of ROPS for all successor agencies in the county. The ROPS establishes the amounts that may be paid by the Successor Agency on the former redevelopment agency's debts during the six month periods following payments to the Successor Agency from the RPTTF by the County Auditor-Controller on January 2 and June 1 of each year.

Pursuant to Section 34187(b) of the Law, once the debts of the former redevelopment agency have been paid, the successor agency has one year to dispose of any remaining assets and terminate its existence notwithstanding the time and tax increment limits contained in redevelopment plans. The enforceability of time and tax increment limits contained in the redevelopment plans is unclear. The covenants in many bond offerings, including those of the Successor Agency, require adjustments to the deposit of tax increment revenues with the Trustee if the receipt of tax increment approaches the tax increment or time limits within the redevelopment plan. The County Auditor-Controller has indicated that it intends to abide by tax increment and time limits contained in the redevelopment plans. DOF has informally indicated that it believes the legislation intends for all enforceable obligations to be repaid notwithstanding redevelopment plan limits. If DOF's understanding of the legislation is applied, the ongoing repayment of enforceable obligations may be allowed to continue beyond the time that a project area's cumulative tax increment limit is reached. For purposes of the projections, we have assumed that all revenue and time limits in the redevelopment plan will be applied. As a result, if either legislative changes or DOF policy changes relaxes

any or all of these limits, the debts of the Successor Agency will be more secure than under the present assumptions.

As mentioned above, issues involved in the dissolution of redevelopment agencies have yet to be resolved including the continuation of plan limits, override revenues and the treatment of ERAF. Additionally approximately 159 suits have been filed on various aspects of AB 1x 26 and AB 1484 which could impact the dissolution of redevelopment agencies. The Successor Agency has filed no lawsuits and is not involved in any current litigation in connection with the dissolution. Our projections could be impacted as a result of future court decisions in connection with lawsuits filed by other agencies.

## **VII. Tax Sharing Agreements and Other Obligations**

The legislation that dissolved redevelopment agencies also required that the calculation and payment of tax sharing amounts be taken over by the County Auditor-Controllers. Since February, 2012, the tax sharing obligations outlined below have been administered by the Auditor-Controller's office.

### **A. Tax Sharing Agreements**

#### **Industrial Project Area**

Prior to the merger in 2002, the Agency entered into an agreement with San Bernardino County to make tax-sharing payments from revenues received in the project area. This agreement provides for tax sharing payments to the San Bernardino County General Fund, the Library and the County Flood Control District. The County General Fund receives its share (15.24%) of general levy revenue on inflationary growth of base year real property value. In addition, the County receives a portion of general levy tax increment revenue, net of housing set-aside and the amount of the inflationary growth payment. The portion of the tax increment share to be received by the County General Fund is 0% through 1998-99, 15% from 1999-00 through 2003-04, 25% from 2004-05 through 2010-11 and 50% from 2011-12 through the life of the project.

The Flood Control District (2.90%) and Library (1.48%) receive their shares of general levy revenue from inflationary growth on base year real property net of housing set aside. In addition, the districts receive the balance of their general levy tax increment revenue shares net of housing set-aside.

#### **Agua Mansa Project Area**

Pursuant to an agreement with the County of San Bernardino, the County General Fund received, net of housing set-aside, 40% of its share (13.05%) of general levy tax increment revenue from 1999-00, 50% of its general levy share from 2000-01 through 2026-27 and 60% of its general levy share thereafter. The Library System (1.26%) and Flood Control District (2.48%) receive their shares of general levy tax increment revenue net of housing set-aside.

San Bernardino Community College District receives 30% of its share (4.59%) of general levy tax increment revenue net of housing set-aside and the San Bernardino County Superintendent of Schools receives 30% of its share (0.67%) of general levy tax increment revenue net of housing set-aside. Payments to the College District and the County Superintendent are, by the terms of the agreements, subordinate to the payment of debt service on any bonded indebtedness. West Resource Conservation District receives 30% of its share (0.13%) of general levy tax increment revenue net of housing set-aside. Colton Unified School District receives 30% of its share (27.2%) of general levy tax increment revenue net of housing set-aside. The San



Bernardino Valley Municipal Water District receives 80% of its debt service override revenue (0.165%). West San Bernardino County Water District receives its share (2.57%) of inflationary growth on real property base year value and, after 2008-09, 80% of its share of general levy tax increment. Beginning in 2009-10, the Agency must repay those amounts of the District's full share not received by the District in earlier years. Repayment is spread over 20 even payments.

### **Central Business District Project Area**

The San Bernardino County General Fund receives 25% of its share (15.33%) of general levy tax increment net of housing set-aside. The Library (1.48%) and Flood Control District (2.91%) receive their full shares of general levy tax increment net of housing set-aside. The San Bernardino Valley Municipal Water District receives all revenue derived from its tax override rate (0.16%). The County Superintendent of School (1.04%), the Rialto Unified School District (33.74%) and the San Bernardino Community College District (5.39%) each receive 25% of their shares of general levy tax increment net of housing set-aside. Payments to these Districts are deemed subordinate to debt service payments on any bonded indebtedness.

### **Gateway Project Area**

The San Bernardino County General Fund receives a stipulated share (15.5%) of general levy revenue from inflationary growth on base year real property value. The County Flood Control District receives a stipulated share (2.3%) of general levy tax increment revenue. Colton Unified School District exists in tax rate areas that produce 50.59% of the incremental assessed value in Gateway. The Rialto Unified School District occupies tax rate areas that contain 49.41% of the incremental value within Gateway. Colton Unified receives 30% of its share (32.3%) of general levy tax increment net of housing set-aside and adjusted for its existence in only a portion of the project area. Rialto Unified School District receives 30% of its share (33.6%) of general levy tax increment net of housing set-aside and adjusted for its existence in only a portion of the project area. The San Bernardino Valley Municipal Water District receives its share (2.79%) of general levy tax revenue net of housing set-aside. In addition, the District receives its debt service over-ride revenue (0.16%) net of housing set-aside.

The San Bernardino Community College District adopted the requisite resolution and is currently receiving base year adjustment payments from the Auditor-Controller. The County Superintendent of Schools is entitled to make the same election but has not done so at this time. These potential payments to the Superintendent of Schools are estimated in the projection despite the fact that the Superintendent has not adopted such a resolution.

### **SB 211 Payments**

As part of the Merger process, Industrial, Agua Mansa, Gateway and CBD were amended to eliminate the limitation on the issuance of new indebtedness to be repaid with tax increment revenue. As a result, these project areas will be subject to the initiation of tax sharing payments to those taxing entities with which they do not already have tax sharing agreements. These payments will be made in accordance with the three-tiered formulas for statutory tax sharing payments required of those project areas adopted after January 1, 1994. These statutory tax-sharing payments will begin in the fiscal year following the year within which the former limit was passed and using the assessed value of the project area for the fiscal year within which the original time limit was exceeded as an adjusted base year value. Table M below shows the fiscal year in which these payments began or will begin for each of the subject project areas.



**Table M**  
**Fiscal Years for Initiation of SB 211 Payments**

	<u>Industrial</u>	<u>Agua Mansa</u>	<u>Gateway</u>	<u>CBD</u>
First Year of SB 211 Payments	2004-05	2009-10	2006-07	2011-12

**Added Territory**

The Added Territory was adopted after January 1, 1994 and is, therefore, subject to the statutory tax sharing payments mandated in the Law as amended by Assembly Bill 1290. These tax-sharing payments are set by statute and are not negotiated. A prescribed portion of the Agency's tax increment revenue must be shared with all taxing entities represented within the Added Territory. The Auditor Controller allocates all tax increment revenue to the Agency for payment of tax sharing payments. This defined tax-sharing amount has three tiers.

The first tier payments begin with the first year that the Annex receives tax increment revenue and continue for the life of the Added Territory. This first tier tax-sharing amount is 25 percent of the gross tax increment revenue allocated from the project area net of the Housing Set-Aside Requirement. The City of Rialto has opted to receive its share of this first tier of tax-sharing payments as permitted by the Law. The second tier payments begin in the eleventh year after the Agency first receives tax increment revenue. This second tier is 21 percent of the tax increment revenue, net of the Housing Set-Aside Requirement, that is derived from the growth in assessed value that is in excess of the assessed value of the Annex in year ten. The City may not receive any portion of the second tier tax-sharing payments. The third tier payments begin in the 31st year after the Agency first receives tax increment revenue. This third tier is 14 percent of the tax increment revenue, net of the Housing Set-Aside Requirement that is derived from the growth in assessed value that is in excess of the assessed value of the Annex in the 30th year. The City may not receive any portion of the third tier tax-sharing payments. These three tiers of tax sharing are calculated independent of one another and continue from their inception through the life of the Added Territory.

**B. Owner Participation Agreements**

The Agency has entered into two OPA's with property owners within Gateway. The agreements with Wal-Mart and Enterprise Rent-A-Car place the required OPA payments in a subordinate position to debt service on the Bonds. The WalMart agreement was fulfilled and terminated after 2011-12 and the Enterprise agreement is expected to terminate by 2015-16. Please see the footnotes on the attached Gateway Table 1 for greater detail.

Within Industrial, the former redevelopment agency entered into an OPA with Pusan Pipe that calls for payment to be made through fiscal year 2016-17 in an amount of \$24,192.

**VIII. Development Activities**

Since January 1, 2014 within the Project Area, there have been 199 transfers of real property ownership where the sales price can be confirmed. These transfers of ownership represent a combined increase of \$50.86 million in assessed value that is expected to be added to the tax rolls for 2015-16. New

development continues to occur within the Project Area but no additional value has been included in the projections for new construction.

## **IX. Trended Taxable Value Growth**

In accordance with Proposition 13, growth in real property land and improvement values may reflect the year-to-year inflationary rate not to exceed 2% for any given year. A 2% growth rate is the maximum inflationary growth rate permitted by law and this rate of growth has been realized in all but eight years since 1981. The years in which less than two percent growth was realized included fiscal years 1983-84 (1.0%), 1995-96 (1.19%), 1996-97 (1.11%), 1999-00 (1.85%), 2004-05 (1.867%), 2010-11 (-0.237%), 2011-12 (0.753%), 2014-15 (0.454%) and 2015-16 (1.998%). We have assumed a resumption of 2% annual inflationary growth in all fiscal years after 2015-16. Future values will also be impacted by changes of ownership and new construction not reflected in our projections. In addition, the values of property previously reduced in value due to assessment appeals based on reduced market values could increase more than 2% when real estate values increase more than 2% (see Section IV A above). Seismic activity and environmental conditions such as hazardous substances that are not anticipated in this Report might also impact taxable assessed values and Gross Revenues. HdL Coren & Cone makes no representation that taxable assessed values will actually grow at the rate projected.

Anticipated revenues could be adjusted as a result of unidentified assessment appeal refunds, other Assessor corrections discussed previously, or unanticipated increases or decreases in property tax values. Estimated valuations from developments included in this analysis are based upon our understanding of the general practices of the County Assessor and County Auditor-Controller's Office. General assessment practices are subject to policy changes, legislative changes, and the judgment of individual appraisers. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections.

**Successor Agency of the City of Rialto  
Merged Project Area**



6/23/2015

**Projection of Incremental Taxable Value & Tax Increment Revenue**  
(000's Omitted)

**Table 1**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Taxable Values (1)</b>										
Real Property (2)	2,927,345	2,968,101	3,027,463	3,088,012	3,149,773	3,212,768	3,277,023	3,342,564	3,409,415	3,477,603
Personal Property (3)	<u>224,518</u>	<u>224,518</u>	<u>224,518</u>	<u>224,518</u>	<u>224,518</u>	<u>224,518</u>	<u>224,518</u>	<u>224,518</u>	<u>224,518</u>	<u>224,518</u>
<b>Total Projected Value</b>	<b>3,151,864</b>	<b>3,192,619</b>	<b>3,251,981</b>	<b>3,312,531</b>	<b>3,374,291</b>	<b>3,437,286</b>	<b>3,501,542</b>	<b>3,567,082</b>	<b>3,633,933</b>	<b>3,702,122</b>
<b>Taxable Value over Base</b>	<b>632,677</b>	<b>2,519,187</b>	<b>2,559,942</b>	<b>2,619,304</b>	<b>2,679,853</b>	<b>2,741,614</b>	<b>2,804,609</b>	<b>2,868,865</b>	<b>2,934,405</b>	<b>3,001,256</b>
Gross Tax Increment Revenue (4)	28,640	29,045	29,718	30,404	31,104	31,818	32,547	33,289	34,047	34,820
Unitary Tax Revenue (5)	173	173	173	173	173	173	173	173	173	173
<u>Section 33676 BY Inflationary Adjustments (10)</u>										
County Superintendent of Schools (10)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
San Bernardino Community College Dist. (10)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(5)
<b>Adjusted Gross Revenues</b>	<b>28,809</b>	<b>29,214</b>	<b>29,886</b>	<b>30,572</b>	<b>31,272</b>	<b>31,986</b>	<b>32,714</b>	<b>33,457</b>	<b>34,214</b>	<b>34,987</b>
<b>LESS:</b>										
SB 2557 Admin. Fee (6)	(147)	(149)	(153)	(156)	(160)	(164)	(167)	(171)	(175)	(179)
County Collection Fee (7)	(63)	(64)	(66)	(67)	(69)	(71)	(72)	(74)	(75)	(77)
Housing Set Aside Requirement (8)	(5,762)	(5,843)	(5,977)	(6,114)	(6,254)	(6,397)	(6,543)	(6,691)	(6,843)	(6,997)
<u>Pass Throughs</u>										
San Bernardino County General Fund (9)	(776)	(790)	(805)	(822)	(838)	(855)	(872)	(890)	(908)	(926)
County Flood Control District (9)	(322)	(324)	(330)	(337)	(344)	(350)	(358)	(365)	(372)	(380)
County Library System (9)	(155)	(156)	(159)	(163)	(166)	(169)	(173)	(176)	(180)	(183)
Colton Unified School District (9)	(463)	(466)	(476)	(485)	(494)	(504)	(514)	(524)	(534)	(545)
SB Municipal Water District (9)	(1,016)	(1,029)	(1,052)	(1,075)	(1,099)	(1,123)	(1,148)	(1,173)	(1,199)	(1,225)
Rialto Unified School District (10)	(30)	(30)	(31)	(31)	(32)	(33)	(33)	(34)	(35)	(36)
West Resource Conservation District (11)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)
West SB County Water District (11)	(142)	(182)	(185)	(188)	(192)	(195)	(198)	(201)	(205)	(208)
<b>Tax Revenues</b>	<b>19,930</b>	<b>20,177</b>	<b>20,649</b>	<b>21,131</b>	<b>21,622</b>	<b>22,123</b>	<b>22,634</b>	<b>23,155</b>	<b>23,686</b>	<b>24,228</b>
<u>Subordinate Pass Throughs/Obligations</u>										
Statutory Tax Sharing Payments (9)	(819)	(823)	(874)	(926)	(979)	(1,033)	(1,093)	(1,154)	(1,217)	(1,283)
AB 1290 Statutory Tax Sharing Payments (9)	(3,018)	(3,148)	(3,277)	(3,408)	(3,542)	(3,679)	(3,818)	(3,960)	(4,105)	(4,253)
County Superintendent of Schools (12)	(13)	(13)	(13)	(14)	(14)	(14)	(14)	(15)	(15)	(15)
Rialto Unified School District (12)	(68)	(71)	(74)	(76)	(79)	(81)	(84)	(86)	(89)	(92)
SB Community College District (12)	(84)	(85)	(87)	(89)	(91)	(93)	(95)	(97)	(99)	(101)
1997 COP Debt Service (13)	(200)	(198)	(199)	(199)	(198)	(200)	(199)	(199)	0	0
Pusan Pipe OPA #2	(24)	(24)	(24)	0	0	0	0	0	0	0
Enterprise Rent-a-Car OPA Payment (10)	(108)	(108)	0	0	0	0	0	0	0	0
<b>Net Tax Revenue</b>	<b>15,595</b>	<b>15,706</b>	<b>16,102</b>	<b>16,419</b>	<b>16,719</b>	<b>17,023</b>	<b>17,331</b>	<b>17,644</b>	<b>18,161</b>	<b>18,485</b>

- (1) Taxable values as reported by San Bernardino County.
- (2) Real property consists of land and improvements. Increased for inflation at 1.998% in 2015-16 and at 2% annually thereafter. Values for 2015-16 are decreased by \$67.3 million for projected value loss due to pending assessment appeals. Values for 2015-16 are increased by \$50.9 million for 199 transfers of ownership after 1/1/2014.
- (3) Personal property is held constant at 2014-15 level.
- (4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. Override rates for San Bernardino Valley Municipal Water District and Metropolitan Water District are projected to remain at their current tax rates per \$100 of taxable value through FY 2034-35 when both tax rates are scheduled to expire. Projections are based on \$1.00 per \$100 of taxable value beginning in FY 2035-36.
- (5) Unitary Revenue is held constant at 2013-14 level.
- (6) SB 2557 Administrative cost is estimated at 0.51% of Adjusted Gross Revenue.
- (7) County Collection Charge is calculated at 0.25% of general levy tax increment revenue.
- (8) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debts secured by Housing Set-Aside funds will hereafter be secured by tax revenues allocable to the Successor Agency. Set-Aside amounts shown are illustrative of amounts available for payment of debt service secured by Housing Set-Aside.
- (9) See projections for individual Project Areas.
- (10) See projection for Gateway Project Area.
- (11) See projection for Agua Mansa Project Area.
- (12) See projection for Aguag Mansa and Central Business District Project Areas.
- (13) See projection for Industrial Park Project Area.

Successor Agency of the City of Rialto

Merged Project Area

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE

(000s Omitted)

Table 2

Fiscal Year	Total Taxable Value	Taxable Value Over Base		Adjusted Gross Revenue **	County Admin. Charges	Housing Set-Aside	Pass-Throughs Agreements	Tax Revenues	Subordinate Tax Sharing and Other Obligations			Net Tax Revenue		
		Various	Revenue **						Statutory Tax Sharing Payments				2007 COP Debt Service	
								Tier 1	Tier 2	Tier 3	Pass-Through Payments	Combined OPA Payments		
1 2014-15	3,151,864	2,519,187	28,809	(211)	(5,762)	(2,906)	19,930	(3,302)	(536)	0	(165)	(132)	(200)	15,595
2 2015-16	3,192,619	2,559,942	29,214	(214)	(5,843)	(2,980)	20,177	(3,376)	(596)	0	(169)	(132)	(198)	15,706
3 2016-17	3,251,981	2,619,304	29,886	(219)	(5,977)	(3,041)	20,649	(3,480)	(671)	0	(174)	(24)	(199)	16,102
4 2017-18	3,312,531	2,679,853	30,572	(224)	(6,114)	(3,103)	21,131	(3,586)	(748)	0	(179)	(24)	(199)	16,395
5 2018-19	3,374,291	2,741,614	31,272	(229)	(6,254)	(3,167)	21,622	(3,695)	(826)	0	(183)		(198)	16,719
6 2019-20	3,437,286	2,804,609	31,986	(234)	(6,397)	(3,232)	22,123	(3,806)	(906)	0	(188)		(200)	17,023
7 2020-21	3,501,542	2,868,865	32,714	(239)	(6,543)	(3,298)	22,634	(3,918)	(992)	0	(193)		(199)	17,331
8 2021-22	3,567,082	2,934,405	33,457	(245)	(6,691)	(3,366)	23,155	(4,034)	(1,080)	0	(198)		(199)	17,644
9 2022-23	3,633,933	3,001,256	34,214	(250)	(6,843)	(3,435)	23,686	(4,151)	(1,172)	0	(203)			18,161
10 2023-24	3,702,122	3,069,445	34,987	(256)	(6,997)	(3,505)	24,228	(4,271)	(1,265)	0	(208)			18,485
11 2024-25	3,771,674	3,138,997	35,775	(262)	(7,155)	(3,577)	24,781	(4,393)	(1,360)	0	(213)			18,815
12 2025-26	3,842,617	3,209,940	36,579	(268)	(7,316)	(3,650)	25,346	(4,518)	(1,457)	0	(219)			19,153
13 2026-27	3,914,979	3,282,302	37,399	(274)	(7,480)	(3,725)	25,921	(4,645)	(1,555)	0	(224)			19,496
14 2027-28	3,988,788	3,356,111	38,235	(280)	(7,647)	(3,801)	26,508	(4,775)	(1,656)	0	(230)			19,847
15 2028-29	4,064,073	3,431,396	39,088	(286)	(7,818)	(3,878)	27,106	(4,907)	(1,759)	0	(235)			20,205
16 2029-30	4,140,865	3,508,187	39,958	(292)	(7,992)	(3,957)	27,717	(5,042)	(1,864)	0	(241)			20,570
17 2030-31	4,219,191	3,586,514	40,846	(299)	(8,169)	(4,038)	28,340	(5,180)	(1,971)	0	(247)			20,942
18 2031-32 (1)	4,299,085	3,666,408	41,751	(305)	(8,350)	(4,121)	28,975	(5,320)	(2,080)	0	(253)			21,322
19 2032-33	3,499,453	2,882,049	32,837	(237)	(6,567)	(3,353)	22,680	(4,349)	(1,785)	0	(259)			16,286
20 2033-34	3,566,150	2,948,746	33,594	(243)	(6,719)	(3,422)	23,210	(4,464)	(1,877)	(55)	(265)			16,548
21 2034-35	3,634,181	3,016,777	34,366	(248)	(6,873)	(3,493)	23,751	(4,582)	(1,970)	(111)	(272)			16,816
22 2035-36	3,703,573	3,086,168	31,681	(237)	(6,336)	(2,510)	22,597	(4,234)	(1,839)	(150)	(278)			16,096
23 2036-37 (2)	3,774,352	3,156,948	31,656	(238)	(6,331)	(2,113)	22,973	(4,294)	(1,925)	(202)	(285)			16,266
24 2037-38	3,716,360	3,112,080	31,210	(235)	(6,242)	(1,983)	22,750	(4,362)	(1,993)	(255)	(292)			15,848
25 2038-39 (3)	3,787,496	3,183,216	31,921	(240)	(6,384)	(2,023)	23,273	(4,474)	(2,082)	(309)	(299)			16,110
26 2039-40	2,899,599	2,338,233	23,436	(178)	(4,687)	(140)	18,431	(4,340)	(2,073)	(364)	(171)			11,483
27 2040-41 (4)	2,955,501	2,394,135	23,995	(182)	(4,799)	(144)	18,870	(4,444)	(2,160)	(420)	(176)			11,671
28 2041-42	2,705,885	2,227,270	22,320	(171)	(4,464)		17,684	(4,464)	(2,215)	(478)				10,528
29 2042-43	2,758,134	2,279,518	22,842	(175)	(4,568)		18,098	(4,568)	(2,303)	(536)				10,691
30 2043-44	2,811,428	2,332,812	23,375	(179)	(4,675)		18,521	(4,675)	(2,392)	(596)				10,857
31 2044-45	2,865,787	2,387,172	23,919	(183)	(4,784)		18,951	(4,784)	(2,484)	(657)				11,027
32 2045-46	2,921,234	2,442,619	24,473	(188)	(4,895)		19,391	(4,895)	(2,577)	(719)				11,200
33 2046-47	2,977,790	2,499,175	25,039	(192)	(5,008)		19,839	(5,008)	(2,672)	(782)				11,377
34 2047-48	3,035,477	2,556,862	25,615	(196)	(5,123)		20,296	(5,123)	(2,769)	(847)				11,557
			1,069,021	(7,911)	(213,804)	(81,961)	765,345	(149,458)	(57,610)	(6,480)	(6,018)	(313)	(1,593)	543,873

(1) Last date to receive tax increment revenue for Industrial Park RP.

(2) Last date to receive tax increment revenue for Gateway RP.

(3) Last date to receive tax increment revenue for Agua Mansa RP.

(4) Last date to receive tax increment revenue for Central Business District RP.

\*\* Gross Revenue net of Section 33676 BY Inflationary Adjustments from within the Gateway Project Area.

**Successor Agency of the City of Rialto  
Merged Project Area**

**Historical Taxable Value**

**Table 3**



6/23/2015

	<b>Base Year (various)</b>	<b>2005-06</b>	<b>2006-07</b>	<b>Adjusted Base Year (2007-08)</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<i>Secured (1)</i>												
Land	571,789,539	508,480,877	607,420,713	563,921,465	757,271,327	849,616,248	870,743,143	823,690,412	828,405,444	821,236,517	877,535,606	932,364,998
Impts	0	884,561,170	1,145,205,058	6,996	1,468,805,502	1,680,594,979	1,596,358,134	1,578,902,223	1,559,980,155	1,566,707,695	1,585,814,290	1,783,933,621
Pers Prop	0	3,509,059	5,001,882	0	3,734,955	2,216,074	2,053,813	1,870,448	1,271,363	1,209,855	1,132,616	127,113
Exemptions	0	(40,419,602)	(42,301,833)	0	(43,850,650)	(50,867,170)	(55,861,602)	(58,170,102)	(85,941,478)	(92,985,435)	(108,061,307)	(108,299,227)
<b>Total Secured</b>	<b>571,789,539</b>	<b>1,356,131,504</b>	<b>1,715,325,820</b>	<b>563,928,461</b>	<b>2,185,961,134</b>	<b>2,481,560,131</b>	<b>2,413,293,488</b>	<b>2,346,292,981</b>	<b>2,303,715,484</b>	<b>2,296,168,632</b>	<b>2,356,421,205</b>	<b>2,608,126,505</b>
<i>Unsecured</i>												
Land	0	0	0	0	0	0	0	0	0	0	0	0
Impts	15,513,527	151,031,840	174,394,960	15,513,527	219,176,032	239,919,051	245,385,206	250,470,958	204,674,638	291,719,115	287,404,575	319,345,980
Pers Prop	53,235,125	151,422,857	156,312,886	53,235,125	208,296,958	226,254,425	233,922,161	212,617,530	200,267,290	208,583,983	199,991,810	224,761,675
Exemptions	0	(297,509)	(26,241)	0	(91,547)	(340,506)	(403,385)	(394,177)	(362,257)	(383,239)	(398,892)	(370,526)
<b>Total Unsecured</b>	<b>68,748,652</b>	<b>302,157,188</b>	<b>330,681,605</b>	<b>68,748,652</b>	<b>427,381,443</b>	<b>465,832,970</b>	<b>478,903,982</b>	<b>462,694,311</b>	<b>404,579,671</b>	<b>499,919,859</b>	<b>486,997,493</b>	<b>543,737,129</b>
<b>GRAND TOTAL</b>	<b>640,538,191</b>	<b>1,658,288,692</b>	<b>2,046,007,425</b>	<b>632,677,113</b>	<b>2,613,342,577</b>	<b>2,947,393,101</b>	<b>2,892,197,470</b>	<b>2,808,987,292</b>	<b>2,708,295,155</b>	<b>2,796,088,491</b>	<b>2,843,418,698</b>	<b>3,151,863,634</b>
Incremental Value		1,017,750,501	1,405,469,234		1,980,665,464	2,314,715,988	2,259,520,357	2,176,310,179	2,075,618,042	2,163,411,378	2,210,741,585	2,519,186,521
% Growth on Project Area AV			23.38%		27.73%	12.78%	-1.87%	-2.88%	-3.58%	3.24%	1.69%	10.85%

Source: County of San Bernardino

(1) Secured values include state assessed non-unitary utility property.

F:\Tax Allocation Bonds\Rialto 2015 Refunding Bonds\Rialto 2015 Refunding TAB - v4

**Successor Agency of the City of Rialto**  
**Merged Project Area**

**TOP TEN TAXABLE PROPERTY OWNERS**

Fiscal Year 2014-15

**Table 4**



6/23/2015

	Secured			Unsecured			Total			Property Uses	Project Area
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Project Taxable Value	% of Project Inc. Value		
1. Target Corporation	\$231,285,206	17	8.87%	\$69,716,071	2	12.82%	\$301,001,277	9.55%	11.95%	Industrial Distribution Warehouse	Added Territory/Industrial Park Projects
2. Prologis-MacQuarie US LLC <small>(Pending Appeals On Parcels)</small>	\$235,969,763	20	9.05%	\$0	0	0.00%	\$235,969,763	7.49%	9.37%	Industrial Distribution Warehouse	Added Territory/Agua Mansa Projects
3. Teachers Insurance and Annuity Assoc.	\$109,243,725	2	4.19%	\$0	0	0.00%	\$109,243,725	3.47%	4.34%	Industrial Distribution Warehouse	Added Territory Project
4. FEDEX Ground Package System Inc.	\$42,024,044	4	1.61%	\$43,668,546	1	8.03%	\$85,692,590	2.72%	3.40%	Package Processing and Shipping	Agua Mansa Project
5. Toys "R" US - Delaware Inc.	\$41,600,603	2	1.60%	\$18,982,007	1	3.49%	\$60,582,610	1.92%	2.40%	Industrial Distribution Warehouse	Industrial Park Project
6. Staples the Office Superstore <small>(Pending Appeals On Parcels)</small>	\$32,928,914	1	1.26%	\$17,238,305	1	3.17%	\$50,167,219	1.59%	1.99%	Industrial Distribution Warehouse	Agua Mansa Project
7. SFPP LP	\$0	0	0.00%	\$47,728,080	1	8.78%	\$47,728,080	1.51%	1.89%	Unsecured Business Property (Rail)	Agua Mansa Project
8. I-210 Logistics Center Fund X LLC	\$46,801,197	16	1.79%	\$0	0	0.00%	\$46,801,197	1.48%	1.86%	Industrial Warehouse/Vacant Land	Industrial Park Project
9. 100 Cedar Avenue LLC	\$45,547,016	1	1.75%	\$0	0	0.00%	\$45,547,016	1.45%	1.81%	Industrial Distribution Warehouse	Industrial Park Project
10. Locust and Linden Fund IX LLC <small>(Pending Appeals On Parcels)</small>	\$31,327,119	2	1.20%	\$0	0	0.00%	\$31,327,119	0.99%	1.24%	Industrial Distribution Warehouse	Industrial Park Project
Totals:	\$816,727,587	65		\$197,333,009	6		\$1,014,060,596				
Total Assessed Values:	\$2,608,126,505		31.31%	\$543,737,129		36.29%	\$3,151,863,634	32.17%			
Incremental Assessed Value:	2,044,198,044		39.95%	474,988,477		41.54%	2,519,186,521	40.25%			

Successor Agency of the City of Rialto  
Merged Project Area  
New Development  
Table 5

Real Property Value	SqFt/ Units	Value	Total Value	Less Existing	000's omitted Total Value		2015-16	2016-17	2017-18	2018-19	2019-20
					Added	Start Complete					
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0
Transfers of Non-Single Family Parcels after 1/1/2014	56	Lump Sum	\$123,300,773	(\$84,688,857)	\$38,612		38,612	0	0	0	0
Transfers of Single Family Parcels after 1/1/2014	143	Lump Sum	\$33,459,455	(\$21,208,226)	\$12,251		12,251	0	0	0	0
<b>Total Real Property Value</b>			<b>\$156,760,228</b>	<b>(\$105,897,083)</b>	<b>50,863</b>		<b>50,863</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
						Adj. Annually for Inflation @	\$50,863	\$0	\$0	\$0	\$0
						2.0%					

**Successor Agency of the City of Rialto  
Industrial Park Redevelopment Project**



**Projection of Incremental Taxable Value & Tax Increment Revenue**

(000's Omitted)

6/23/2015

**Table 1**

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Taxable Values (1)</b>										
Real Property (2)	587,378	586,471	598,201	610,165	622,368	634,816	647,512	660,462	673,671	687,145
Personal Property (3)	<u>59,922</u>	<u>59,922</u>	<u>59,922</u>	<u>59,922</u>	<u>59,922</u>	<u>59,922</u>	<u>59,922</u>	<u>59,922</u>	<u>59,922</u>	<u>59,922</u>
<b>Total Projected Value</b>	<b>647,300</b>	<b>646,393</b>	<b>658,123</b>	<b>670,087</b>	<b>682,290</b>	<b>694,738</b>	<b>707,434</b>	<b>720,384</b>	<b>733,593</b>	<b>747,067</b>
<b>Taxable Value over Base</b>	<b>15,273</b>	<b>632,027</b>	<b>631,120</b>	<b>642,850</b>	<b>654,814</b>	<b>667,017</b>	<b>679,465</b>	<b>692,161</b>	<b>705,111</b>	<b>718,320</b>
Gross Tax Increment Revenue (4)	7,160	7,115	7,247	7,382	7,520	7,660	7,803	7,949	8,098	8,250
Unitary Tax Revenue (5)	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>
<b>Gross Revenues</b>	<b>7,236</b>	<b>7,191</b>	<b>7,323</b>	<b>7,458</b>	<b>7,596</b>	<b>7,736</b>	<b>7,879</b>	<b>8,025</b>	<b>8,174</b>	<b>8,326</b>
<b>LESS:</b>										
SB 2557 Admin. Fee (6)	(39)	(39)	(39)	(40)	(41)	(42)	(42)	(43)	(44)	(45)
County Collection Charge (7)	(16)	(16)	(16)	(17)	(17)	(17)	(17)	(18)	(18)	(18)
Housing Set Aside Requirement (8)	(1,447)	(1,438)	(1,465)	(1,492)	(1,519)	(1,547)	(1,576)	(1,605)	(1,635)	(1,665)
<b>Pass Throughs</b>										
County General Fund (9)	(396)	(396)	(403)	(411)	(418)	(426)	(434)	(443)	(451)	(459)
County Flood Control District (10)	(149)	(149)	(152)	(155)	(157)	(160)	(163)	(166)	(169)	(173)
County Free Library (11)	<u>(76)</u>	<u>(76)</u>	<u>(77)</u>	<u>(79)</u>	<u>(80)</u>	<u>(82)</u>	<u>(83)</u>	<u>(85)</u>	<u>(86)</u>	<u>(88)</u>
<b>Tax Revenue</b>	<b>5,112</b>	<b>5,077</b>	<b>5,171</b>	<b>5,266</b>	<b>5,363</b>	<b>5,462</b>	<b>5,563</b>	<b>5,665</b>	<b>5,770</b>	<b>5,878</b>
<b>Subordinate Obligations</b>										
SB 211 Statutory Tax Sharing Tier 1 (12)	(678)	(676)	(698)	(721)	(743)	(767)	(790)	(814)	(839)	(864)
SB 211 Statutory Tax Sharing Tier 2 (12)	(94)	(93)	(108)	(124)	(140)	(157)	(174)	(191)	(209)	(227)
2007 COP Debt Service	(200)	(198)	(199)	(199)	(198)	(200)	(199)	(199)	0	0
Pusan Pipe OPA #2	<u>(24)</u>	<u>(24)</u>	<u>(24)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Tax Revenue</b>	<b>4,116</b>	<b>4,086</b>	<b>4,141</b>	<b>4,222</b>	<b>4,280</b>	<b>4,338</b>	<b>4,400</b>	<b>4,460</b>	<b>4,722</b>	<b>4,786</b>

- (1) Taxable values as reported by San Bernardino County.
- (2) Real property consists of land and improvements. Increased for inflation at 1.998% in 2015-16 and at 2.00% annually thereafter. Values for 2015-16 are increased by \$13.95 million due to 10 transfers of ownership after 1/1/2014 and decreased by \$26.1 million for projected value loss due to pending assessment appeals.
- (3) Personal property is held constant at 2014-15 level.
- (4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. Override rates for San Bernardino Valley Municipal Water District and Metropolitan Water District are projected to remain at their current tax rates per \$100 of taxable value through FY 2034-35 when both tax rates are scheduled to expire. Projections are based on \$1.00 per \$100 of taxable value beginning in FY 2035-36.
- (5) Unitary Revenue is held constant at 2013-14 level.
- (6) SB 2557 Administrative cost is estimated at 0.54% of Gross Revenue.
- (7) County Collection Charge is calculated at 0.25% of general levy tax increment revenue.
- (8) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debts secured by Housing Set-Aside funds will hereafter be secured by tax revenues allocable to the Successor Agency. Set-Aside amounts shown are illustrative of amounts available for payment of debt service secured by Housing Set-Aside.
- (9) San Bernardino County receives its share (15.35%) of general levy revenue on inflationary growth on base year real value. In addition, County receives a portion of general levy tax increment revenue net of Housing Set-Aside and inflationary pass through. This portion is 0% through 1998-99; 15% from 1999-00 through 2003-04; 25% from 2004-05 through 2010-11; and, 50% from 2011-12 forward.
- (10) County Flood Control receives its share (2.92%) of general levy revenue on inflationary growth on base year real value and its share of general levy tax increment revenue less the share of inflationary growth. All pass through amounts are net of housing set-aside.
- (11) County Library System receives its share (1.49%) of general levy revenue on inflationary growth on base year real value and its share of general levy tax increment revenue less the share of inflationary growth. All pass through amounts are net of housing set-aside.
- (12) The Agency has eliminated the Plan's time limit for incurrence of new debt. The Agency is obligated to make tax sharing payments pursuant to Section 33607.7 of the Law beginning in fiscal year 2004-05 and using Project Area values for 2003-04 as an adjusted base year value. Taxing Entities that do not have existing tax sharing agreements receive their prorated shares of 25% of revenue derived from the incremental increase in value above the adjusted base year value net of Housing Set-Aside. In addition, beginning in 2014-15 and using the project area values of 2013-14 as a second adjusted base year value, tax entities without tax sharing agreements receive their prorated shares of 21% of the revenue derived from the incremental difference increase in value above the second adjusted base year value net of Housing Set-Aside. The City may elect to receive its share of Tier 1 payments only.



**Successor Agency of the City of Rialto  
Industrial Park Redevelopment Project**

**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**

(000s Omitted)

**Table 2**



		Taxable Value		Gross Tax Revenue	County Admin. Charges	Housing Set-Aside	Pass-Throughs Agreements	Tax Revenue	Statutory Tax Sharing Payments		2007 COP Debt Service **	Pusan Pipe OPA #2	Net Tax Revenue
		Total Taxable Value	Over Base 15,273						Tier 1	Tier 2			
1	2014-15	647,300	632,027	7,236	(55)	(1,447)	(621)	5,112	(678)	(94)	(200)	(24)	4,116
2	2015-16	646,393	631,120	7,191	(55)	(1,438)	(621)	5,077	(676)	(93)	(198)	(24)	4,086
3	2016-17	658,123	642,850	7,323	(56)	(1,465)	(632)	5,171	(698)	(108)	(199)	(24)	4,141
4	2017-18	670,087	654,814	7,458	(57)	(1,492)	(644)	5,266	(721)	(124)	(199)	(24)	4,198
5	2018-19	682,290	667,017	7,596	(58)	(1,519)	(656)	5,363	(743)	(140)	(198)		4,280
6	2019-20	694,738	679,465	7,736	(59)	(1,547)	(668)	5,462	(767)	(157)	(200)		4,338
7	2020-21	707,434	692,161	7,879	(60)	(1,576)	(681)	5,563	(790)	(174)	(199)		4,400
8	2021-22	720,384	705,111	8,025	(61)	(1,605)	(694)	5,665	(814)	(191)	(199)		4,460
9	2022-23	733,593	718,320	8,174	(62)	(1,635)	(707)	5,770	(839)	(209)			4,722
10	2023-24	747,067	731,794	8,326	(63)	(1,665)	(720)	5,878	(864)	(227)			4,786
11	2024-25	760,810	745,537	8,481	(64)	(1,696)	(734)	5,987	(890)	(245)			4,852
12	2025-26	774,827	759,554	8,639	(66)	(1,728)	(747)	6,098	(916)	(264)			4,918
13	2026-27	789,126	773,853	8,800	(67)	(1,760)	(761)	6,212	(943)	(283)			4,986
14	2027-28	803,710	788,437	8,965	(68)	(1,793)	(776)	6,328	(970)	(303)			5,055
15	2028-29	818,585	803,312	9,132	(69)	(1,826)	(790)	6,446	(998)	(322)			5,126
16	2029-30	833,759	818,486	9,303	(71)	(1,861)	(805)	6,567	(1,026)	(343)			5,198
17	2030-31	849,235	833,962	9,478	(72)	(1,896)	(821)	6,690	(1,055)	(363)			5,271
18	2031-32	865,022	849,749	9,656	(73)	(1,931)	(836)	6,815	(1,084)	(384)			5,346
19	2032-33	0	0	0	0	0	0	0	0	0			0
20	2033-34	0	0	0	0	0	0	0	0	0			0
21	2034-35	0	0	0	0	0	0	0	0	0			0
22	2035-36	0	0	0	0	0	0	0	0	0			0
				<b>149,399</b>	<b>(1,135)</b>	<b>(29,880)</b>	<b>(12,915)</b>	<b>105,468</b>	<b>(15,473)</b>	<b>(4,025)</b>	<b>(1,593)</b>	<b>(97)</b>	<b>84,281</b>

\*\* The City has agreed to the subordination of COP reimbursement payments.

**Successor Agency of the City of Rialto  
Industrial Park Redevelopment Project**



**Historical Assessed Values**

**Table 3**

06/23/15

	<b>Base Year 1978-79</b>	<b>2005-06</b>	<b>2006-07</b>	<b>Revised Base Year (2007-08)</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<i>Secured (1)</i>												
Land	7,940,954	86,622,212	111,773,600	7,800,440	143,120,573	163,350,424	189,097,932	177,034,097	179,449,603	177,896,349	203,244,984	211,268,194
Improvements	0	121,850,983	140,990,861	6,996	232,267,628	252,299,372	286,658,865	246,944,453	237,227,849	238,106,673	244,209,199	319,046,615
Personal Property	0	485,147	302,179	0	196,135	5,980	5,642	4,903	4,027	3,879	3,285	0
Exemptions	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Secured</b>	<b><u>7,940,954</u></b>	<b><u>208,958,342</u></b>	<b><u>253,066,640</u></b>	<b><u>7,807,436</u></b>	<b><u>375,584,336</u></b>	<b><u>415,655,776</u></b>	<b><u>475,762,439</u></b>	<b><u>423,983,453</u></b>	<b><u>416,681,479</u></b>	<b><u>416,006,901</u></b>	<b><u>447,457,468</u></b>	<b><u>530,314,809</u></b>
<i>Unsecured</i>												
Land	0	0	0	0	0	0	0	0	0	0	0	0
Improvements	0	48,186,697	51,156,042	0	57,637,862	56,796,657	61,803,350	58,584,054	51,945,227	58,158,363	60,682,091	57,063,199
Personal Property	7,465,580	58,094,787	60,539,785	7,465,580	63,536,554	67,912,735	71,762,529	68,821,983	63,282,316	70,767,891	68,902,003	59,922,046
Exemptions	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Unsecured</b>	<b><u>7,465,580</u></b>	<b><u>106,281,484</u></b>	<b><u>111,695,827</u></b>	<b><u>7,465,580</u></b>	<b><u>121,174,416</u></b>	<b><u>124,709,392</u></b>	<b><u>133,565,879</u></b>	<b><u>127,406,037</u></b>	<b><u>115,227,543</u></b>	<b><u>128,926,254</u></b>	<b><u>129,584,094</u></b>	<b><u>116,985,245</u></b>
<b>GRAND TOTAL</b>	<b><u>15,406,534</u></b>	<b><u>315,239,826</u></b>	<b><u>364,762,467</u></b>	<b><u>15,273,016</u></b>	<b><u>496,758,752</u></b>	<b><u>540,365,168</u></b>	<b><u>609,328,318</u></b>	<b><u>551,389,490</u></b>	<b><u>531,909,022</u></b>	<b><u>544,933,155</u></b>	<b><u>577,041,562</u></b>	<b><u>647,300,054</u></b>
Incremental Value		299,833,292	349,355,933		481,485,736	525,092,152	594,055,302	536,116,474	516,636,006	529,660,139	561,768,546	632,027,038
Percentage Growth			16.52%		37.82%	9.06%	13.13%	-9.75%	-3.63%	2.52%	6.06%	12.51%

Source: County of San Bernardino

(1) Secured values include state assessed non-unitary utility property.

**Successor Agency of the City of Rialto  
Industrial Park Redevelopment Project**

**TOP TEN TAXABLE PROPERTY OWNERS**

Fiscal Year 2014-15

**Table 4**

	Secured			Unsecured			Total			Property Uses
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Projct Taxable Value	% of Projct Inc. Value	
1. Toys "R" US - Delaware Inc.	\$41,600,603	2	7.84%	\$18,982,007	1	16.23%	\$60,582,610	9.36%	9.59%	Industrial Distribution Warehouse
2. Staples the Office Superstore (Pending Appeals On Parcels)	\$32,928,914	1	6.21%	\$17,238,305	1	14.74%	\$50,167,219	7.75%	7.94%	Industrial Distribution Warehouse
3. 100 Cedar Avenue LLC	\$45,547,016	1	8.59%	\$0	0	0.00%	\$45,547,016	7.04%	7.21%	Industrial Distribution Warehouse
4. Target Corporation	\$44,644,648	1	8.42%	\$0	0	0.00%	\$44,644,648	6.90%	7.06%	Industrial Distribution Warehouse
5. Locust and Linden Fund IX LLC (Pending Appeals On Parcels)	\$31,327,119	2	5.91%	\$0	0	0.00%	\$31,327,119	4.84%	4.96%	Industrial Distribution Warehouse
6. AMB Property LP (Pending Appeals On Parcels)	\$25,798,333	1	4.86%	\$0	0	0.00%	\$25,798,333	3.99%	4.08%	Industrial Distribution Warehouse
7. 1364 Rialto Avenue LLC	\$24,452,984	1	4.61%	\$0	0	0.00%	\$24,452,984	3.78%	3.87%	Industrial Distribution Warehouse
8. Burlingame Industries Inc.	\$9,229,236	5	1.74%	\$10,116,866	1	8.65%	\$19,346,102	2.99%	3.06%	Roof Tile Manufacturing
9. DCT Renaissance Rialto LLC	\$18,846,679	10	3.55%	\$0	0	0.00%	\$18,846,679	2.91%	2.98%	Vacant Land
10. Robertsons Ready Mix Limited	\$9,664,283	3	1.82%	\$7,954,698	6	6.80%	\$17,618,981	2.72%	2.79%	Concrete, Rock and Sand Production
Totals:	\$284,039,815	27		\$54,291,876	9		\$338,331,691			
Total Assessed Values:	\$530,314,809		53.56%	\$116,985,245		46.41%	\$647,300,054		52.27%	
Incremental Assessed Value:	522,507,373		54.36%	109,519,665		49.57%	632,027,038		53.53%	

**Successor Agency of the City of Rialto  
Industrial Park Redevelopment Project**

New Development  
Table 5



06/23/15

<u>Real Property Value</u>	<u>SqFt/ Units</u>	<u>Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Total Value</u>		<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	
					<u>Added</u>	<u>Start</u> <u>Complete</u>						
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
Transfers of Non-Single Family Parcels after 1/1/2014	10	Lump Sum	\$73,519,136	(\$59,563,899)	\$13,955		13,955	0	0	0	0	
Transfers of Single Family Parcels after 1/1/2014	0	Lump Sum	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		0	0	0	0	0	
<b>Total Real Property Value</b>			<b>\$73,519,136</b>	<b>(\$59,563,899)</b>	<b>13,955</b>		<b>13,955</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
						Adj. Annually for Inflation @	2.0%	\$13,955	\$0	\$0	\$0	\$0

**Successor Agency of the City of Rialto  
 Agua Mansa Redevelopment Project**

**Projection of Incremental Taxable Value & Tax Increment Revenue**

(000's Omitted)



6/23/2015

**Table 1**

<b>Taxable Values (1)</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Real Property (2)	558,502	562,915	574,174	585,657	597,370	609,318	621,504	633,934	646,613	659,545
Personal Property (3)	<u>55,042</u>	<u>55,042</u>	<u>55,042</u>	<u>55,042</u>	<u>55,042</u>	<u>55,042</u>	<u>55,042</u>	<u>55,042</u>	<u>55,042</u>	<u>55,042</u>
<b>Total Projected Value</b>	<b>613,543</b>	<b>617,957</b>	<b>629,215</b>	<b>640,699</b>	<b>652,412</b>	<b>664,359</b>	<b>676,546</b>	<b>688,976</b>	<b>701,654</b>	<b>714,587</b>
<b>Taxable Value over Base</b>	<b>42,914</b>	<b>570,629</b>	<b>575,043</b>	<b>586,301</b>	<b>597,784</b>	<b>609,498</b>	<b>621,445</b>	<b>633,631</b>	<b>646,061</b>	<b>671,672</b>
Gross Tax Increment Revenue (4)	6,634	6,685	6,816	6,949	7,085	7,224	7,366	7,510	7,658	7,808
Unitary Tax Revenue (5)	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>
<b>Gross Revenues</b>	<b>6,669</b>	<b>6,720</b>	<b>6,851</b>	<b>6,985</b>	<b>7,121</b>	<b>7,260</b>	<b>7,401</b>	<b>7,546</b>	<b>7,693</b>	<b>7,843</b>
<b>LESS:</b>										
SB 2557 Admin. Fee (6)	(33)	(33)	(33)	(34)	(35)	(35)	(36)	(37)	(38)	(38)
County Collection Fee (7)	(14)	(14)	(15)	(15)	(15)	(16)	(16)	(16)	(17)	(17)
Housing Set Aside Requirement (8)	(1,334)	(1,344)	(1,370)	(1,397)	(1,424)	(1,452)	(1,480)	(1,509)	(1,539)	(1,569)
<b>Pass Throughs</b>										
County General Fund (9)	(347)	(350)	(357)	(364)	(371)	(378)	(385)	(393)	(401)	(408)
County Flood Control District (10)	(132)	(133)	(136)	(138)	(141)	(144)	(146)	(149)	(152)	(155)
County Free Library (11)	(67)	(68)	(69)	(70)	(72)	(73)	(75)	(76)	(78)	(79)
Colton Unified School District (14)	(435)	(438)	(447)	(455)	(464)	(473)	(482)	(492)	(501)	(511)
Inland Empire Joint Resource Cons. Dist. (15)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)
San Bernardino Vly Municipal Water Dist. (16)	(742)	(748)	(762)	(777)	(792)	(808)	(824)	(840)	(856)	(873)
West San Bernardino County Water Dist. (17)	<u>(142)</u>	<u>(182)</u>	<u>(185)</u>	<u>(188)</u>	<u>(192)</u>	<u>(195)</u>	<u>(198)</u>	<u>(201)</u>	<u>(205)</u>	<u>(208)</u>
<b>Tax Revenue</b>	<b>3,421</b>	<b>3,408</b>	<b>3,475</b>	<b>3,543</b>	<b>3,613</b>	<b>3,684</b>	<b>3,756</b>	<b>3,830</b>	<b>3,905</b>	<b>3,982</b>
<b>Subordinate Obligations</b>										
San Bernardino Community College Dist. (12)	(73)	(74)	(75)	(77)	(78)	(80)	(81)	(83)	(84)	(86)
County Superintendent of Schools (13)	(11)	(11)	(11)	(11)	(11)	(12)	(12)	(12)	(12)	(13)
SB 211 Statutory Tax Sharing Tier 1 (18)	(30)	(34)	(42)	(51)	(59)	(68)	(77)	(86)	(96)	(105)
SB 211 Statutory Tax Sharing Tier 2 (18)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5)</u>	<u>(10)</u>	<u>(15)</u>	<u>(20)</u>
<b>Net Tax Revenue</b>	<b>3,306</b>	<b>3,290</b>	<b>3,347</b>	<b>3,405</b>	<b>3,464</b>	<b>3,524</b>	<b>3,581</b>	<b>3,639</b>	<b>3,698</b>	<b>3,758</b>

# Successor Agency of the City of Rialto Agua Mansa Redevelopment Project



## Footnotes for Projection of Tax Increment Revenue

6/23/2015

- (1) Taxable values as reported by San Bernardino County.
- (2) Real property consists of land and improvements. Increased for inflation at 1.998% in 2015-16 and at 2% annually thereafter. Values for 2015-16 are increased by \$2.98 million due to 8 transfers of ownership from after 1/1/2014 and decreased by \$9.5 million for projected value loss due to pending assessment appeals.
- (3) Personal property is held constant at 2014-15 level.
- (4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. Override rate for San Bernardino Valley Municipal Water District is projected to remain at \$1.1625 per \$100 of taxable value through FY 2034-35 when this tax rate is scheduled to expire. Projections are based on \$1.00 per \$100 of taxable value beginning in FY 2035-36.
- (5) Unitary Revenue is held constant at 2013-14 level.
- (6) SB 2557 Administrative cost is estimated at 0.49% of Gross Revenue.
- (7) County Collection Charge is calculated at 0.25% of general levy tax increment revenue.
- (8) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debts secured by Housing Set-Aside funds will hereafter be secured by tax revenues allocable to the Successor Agency. Set-Aside amounts shown are illustrative of amounts available for payment of debt service secured by Housing Set-Aside.
- (9) County General Fund received 40% of its share of general levy tax increment revenue net of Housing Set-Aside through 1999-00; the County receives 50% of its share (15.12%) from 2000-01 through 2026-27 and 60% thereafter.
- (10) County Flood Control District receives its share (2.87%) of general levy tax increment revenue net of Housing Set-Aside.
- (11) County Library receives its share (1.46%) of general levy tax increment revenue net of Housing Set-Aside.
- (12) San Bernardino Community College District receives 30% of its share (5.31%) of general levy tax increment revenue net of Housing Set-Aside. This payment subordinate to payment of debt service on all bonded indebtedness.
- (13) County Superintendent of Schools receives 30% of its share (0.78%) of general levy tax increment revenue net of Housing Set-Aside. This payment subordinate to payment of debt service on all bonded indebtedness.
- (14) Colton Unified School District receives 30% of its share (31.54%) of general levy tax increment revenue net of Housing Set-Aside.
- (15) Inland Empire Joint Resource Conservation District (formerly West Resource Conservation District) receives 30% of its share (0.15%) of the general levy tax increment net of Housing Set-Aside.
- (16) San Bernardino Valley Municipal Water District receives 80% of its share (0.1625%) of debt service override. Debt service override is projected to remain constant. This rate is for purchase of water and is authorized through 2034-35.
- (17) West San Bernardino County Water District receives its share (2.97%) of the annual inflationary increase of base year real property plus 80% of its share of general levy tax increment revenue.
- (18) The Agency has eliminated the Plan's time limit for incurrence of new debt. The Agency is obligated to make tax sharing payments pursuant to Section 33607.7 of the Law beginning in fiscal year 2009-10 and using Project Area values for 2008-09 as an adjusted base year value. Taxing Entities that do not have existing tax sharing agreements receive their prorated shares of 25% of revenue derived from the incremental increase in value above the adjusted base year value net of Housing Set-Aside. In addition, beginning in 2019-20 and using the project area values of 2018-19 as a second adjusted base year value, taxing entities without tax sharing agreements receive their prorated shares of 21% of the revenue derived from the incremental difference increase in value above the second adjusted base year value net of Housing Set-Aside. The City may elect to receive its share of the first tier of statutory tax sharing payments.

Successor Agency of the City of Rialto

Agua Mansa Redevelopment Project

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE

(000s Omitted)

Table 2



06/23/15

		Total Taxable Value	Taxable Value Over Base 42,914	Gross Tax Revenue	County Admin. Charges	Housing Set-Aside	Pass-Throughs Agreements	Tax Revenue	Subordinate Pass-Throughs Agreements	Statutory Tax Sharing Payments		Net Tax Revenue
										Tier 1	Tier 2	
1	2014-15	613,543	570,629	6,669	(47)	(1,334)	(1,867)	3,421	(84)	(30)	0	3,306
2	2015-16	617,957	575,043	6,720	(47)	(1,344)	(1,921)	3,408	(85)	(34)	0	3,290
3	2016-17	629,215	586,301	6,851	(48)	(1,370)	(1,958)	3,475	(86)	(42)	0	3,347
4	2017-18	640,699	597,784	6,985	(49)	(1,397)	(1,995)	3,543	(88)	(51)	0	3,405
5	2018-19	652,412	609,498	7,121	(50)	(1,424)	(2,034)	3,613	(90)	(59)	0	3,464
6	2019-20	664,359	621,445	7,260	(51)	(1,452)	(2,073)	3,684	(91)	(68)	0	3,524
7	2020-21	676,546	633,631	7,401	(52)	(1,480)	(2,113)	3,756	(93)	(77)	(5)	3,581
8	2021-22	688,976	646,061	7,546	(53)	(1,509)	(2,154)	3,830	(95)	(86)	(10)	3,639
9	2022-23	701,654	658,740	7,693	(54)	(1,539)	(2,195)	3,905	(97)	(96)	(15)	3,698
10	2023-24	714,587	671,672	7,843	(55)	(1,569)	(2,238)	3,982	(99)	(105)	(20)	3,758
11	2024-25	727,778	684,863	7,997	(56)	(1,599)	(2,281)	4,060	(101)	(115)	(25)	3,820
12	2025-26	741,232	698,318	8,153	(57)	(1,631)	(2,325)	4,140	(103)	(125)	(30)	3,883
13	2026-27	754,956	712,042	8,313	(59)	(1,663)	(2,370)	4,222	(105)	(135)	(35)	3,947
14	2027-28	768,954	726,040	8,475	(60)	(1,695)	(2,416)	4,305	(107)	(146)	(41)	4,012
15	2028-29	783,233	740,318	8,641	(61)	(1,728)	(2,463)	4,390	(109)	(156)	(46)	4,078
16	2029-30	797,797	754,882	8,811	(62)	(1,762)	(2,510)	4,476	(111)	(167)	(52)	4,146
17	2030-31	812,652	769,737	8,983	(63)	(1,797)	(2,559)	4,564	(113)	(178)	(58)	4,216
18	2031-32	827,804	784,889	9,160	(64)	(1,832)	(2,609)	4,654	(115)	(189)	(64)	4,286
19	2032-33	843,259	800,345	9,339	(66)	(1,868)	(2,660)	4,746	(117)	(201)	(70)	4,358
20	2033-34	859,023	816,109	9,523	(67)	(1,905)	(2,711)	4,840	(120)	(212)	(76)	4,432
21	2034-35	875,103	832,189	9,709	(68)	(1,942)	(2,764)	4,935	(122)	(224)	(82)	4,507
22	2035-36	891,504	848,590	9,978	(65)	(1,796)	(2,183)	4,934	(125)	(203)	(76)	4,530
23	2036-37	908,234	865,319	8,688	(64)	(1,738)	(1,814)	5,072	(127)	(214)	(82)	4,650
24	2037-38	925,297	882,383	8,859	(65)	(1,772)	(1,850)	5,172	(129)	(225)	(87)	4,730
25	2038-39	942,702	899,788	9,033	(67)	(1,807)	(1,887)	5,273	(132)	(236)	(93)	4,812
				<b>204,752</b>	<b>(1,453)</b>	<b>(40,950)</b>	<b>(55,948)</b>	<b>106,401</b>	<b>(2,642)</b>	<b>(3,375)</b>	<b>(965)</b>	<b>99,419</b>

**Successor Agency of the City of Rialto  
 Agua Mansa Redevelopment Project**

**Historical Assessed Values**

**Table 3**



06/23/15

	<b>Base Year</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<i>Secured (1)</i>	<b>1987-88</b>										
Land	33,703,921	95,360,409	106,223,263	121,827,452	134,038,504	146,400,488	152,295,173	151,013,282	150,799,120	156,920,577	158,111,696
Impts	0	144,011,719	181,748,582	250,280,331	267,644,372	245,126,958	311,610,311	281,582,317	276,126,752	248,779,561	245,608,404
Pers Prop	0	1,129,625	3,000,662	2,396,936	1,131,982	1,273,849	1,211,533	1,130,164	1,075,542	989,825	0
Exemptions	0	0	0	0	0	0	(608,000)	(612,578)	(624,830)	(637,326)	(640,220)
<b>Total Secured</b>	<b>33,703,921</b>	<b>240,501,753</b>	<b>290,972,507</b>	<b>374,504,719</b>	<b>402,814,858</b>	<b>392,801,295</b>	<b>464,509,017</b>	<b>433,113,185</b>	<b>427,376,584</b>	<b>406,052,637</b>	<b>403,079,880</b>
<i>Unsecured</i>											
Land	0	0	0	0	0	0	0	0	0	0	0
Impts	0	71,299,690	79,990,417	104,671,944	112,192,815	109,496,442	126,369,044	87,861,926	131,961,949	138,766,913	155,421,680
Pers Prop	9,210,460	43,455,666	47,257,073	57,381,548	57,462,500	57,214,356	50,378,839	47,932,006	49,944,566	47,407,395	55,041,577
Exemptions	0	0	0	0	0	0	0	0	0	0	0
<b>Total Unsecured</b>	<b>9,210,460</b>	<b>114,755,356</b>	<b>127,247,490</b>	<b>162,053,492</b>	<b>169,655,315</b>	<b>166,710,798</b>	<b>176,747,883</b>	<b>135,793,932</b>	<b>181,906,515</b>	<b>186,174,308</b>	<b>210,463,257</b>
<b>GRAND TOTAL</b>	<b>42,914,381</b>	<b>355,257,109</b>	<b>418,219,997</b>	<b>536,558,211</b>	<b>572,470,173</b>	<b>559,512,093</b>	<b>641,256,900</b>	<b>568,907,117</b>	<b>609,283,099</b>	<b>592,226,945</b>	<b>613,543,137</b>
Incremental Value		312,342,728	375,305,616	493,643,830	529,555,792	516,597,712	598,342,519	525,992,736	566,368,718	549,312,564	570,628,756
Percentage Growth			20.16%	31.53%	7.27%	-2.45%	15.82%	-12.09%	7.68%	-3.01%	3.88%

Source: County of San Bernardino

(1) Secured values include state assessed non-unitary utility property.



**Successor Agency of the City of Rialto**  
**Agua Mansa Redevelopment Project**

**TOP TEN TAXABLE PROPERTY OWNERS**

Fiscal Year 2014-15

**Table 4**



06/23/15

	Secured			Unsecured			Total			Property Uses
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Project Taxable Value	% of Project Inc. Value	
1. FEDEX Ground Package System Inc.	\$42,024,044	4	10.43%	\$43,668,546	1	20.75%	\$85,692,590	13.97%	15.02%	Package Processing and Shipping
2. Prologis-MacQuarie US LLC (Pending Appeals On Parcels)	\$53,578,251	2	13.29%	\$0	0	0.00%	\$53,578,251	8.73%	9.39%	Industrial Distribution Warehouse
3. SFPP LP	\$0	0	0.00%	\$47,728,080	1	22.68%	\$47,728,080	7.78%	8.36%	Unsecured Business Property (Rail)
4. Old Dominion Freight Line Inc.	\$25,805,299	4	6.40%	\$2,461,299	1	1.17%	\$28,266,598	4.61%	4.95%	Industrial Transit Warehouse/Vacant
5. Lilac Avenue LLC	\$25,935,259	1	6.43%	\$0	0	0.00%	\$25,935,259	4.23%	4.55%	Industrial Distribution Warehouse
6. Tesoro Logistics Operations (Pending Appeals On Parcels)	\$1,908,626	1	0.47%	\$22,339,992	1	10.61%	\$24,248,618	3.95%	4.25%	Petroleum Products Storage/Sale
7. Caleast HD LLC (Pending Appeals On Parcels)	\$18,811,150	1	4.67%	\$0	0	0.00%	\$18,811,150	3.07%	3.30%	Industrial Distribution Warehouse
8. Menlo Business Park LLC	\$18,771,720	2	4.66%	\$0	0	0.00%	\$18,771,720	3.06%	3.29%	Industrial Distribution Warehouse
9. Lineage CC California RE LLC	\$19,931,039	1	4.94%	\$0	0	0.00%	\$19,931,039	3.25%	3.49%	Industrial Storage Warehouse
10. Cooper Lighting	\$13,478,313	1	3.34%	\$719,424	3	0.34%	\$14,197,737	2.31%	2.49%	Lighting Product Manufacturing
Totals:	\$220,243,701	17		\$116,917,341	7		\$337,161,042			
Total Assessed Values:	\$403,079,880		54.64%	\$210,463,257		55.55%	\$613,543,137	54.95%		
Incremental Assessed Value:	369,375,959		59.63%	201,252,797		58.09%	570,628,756	59.09%		

Successor Agency of the City of Rialto  
 Agua Mansa Redevelopment Project  
 New Development  
 Table 5



06/23/15

<u>Real Property Value</u>	<u>SqFt/ Units</u>	<u>Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Total Value</u>		<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	
					<u>Added</u>	<u>Start</u>						<u>Complete</u>
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	Lump Sum	\$0	\$0	\$0		0	0	0	0	0	
	0	Lump Sum	\$0	\$0	\$0		0	0	0	0	0	
	0	Lump Sum	\$0	\$0	\$0		0	0	0	0	0	
Transfers of Non-Single Family Parcels after 1/1/2014	7	Lump Sum	\$8,783,000	(\$6,386,731)	\$2,396		2,396	0	0	0	0	
Transfers of Single Family Parcels after 1/1/2014	1	Lump Sum	<u>\$700,000</u>	<u>(\$110,342)</u>	<u>\$590</u>		590	0	0	0	0	
<b>Total Real Property Value</b>			<b>\$9,483,000</b>	<b>(\$6,497,073)</b>	<b>2,986</b>		<b>2,986</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
						Adj. Annually for Inflation @	2.0%	\$2,986	\$0	\$0	\$0	\$0

# Successor Agency of the City of Rialto

## Gateway Redevelopment Project

### Projection of Incremental Taxable Value & Tax Increment Revenue

(000's Omitted)



6/23/2015

**Table 1**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Taxable Values (1)</b>										
Real Property (2)	81,270	80,951	82,570	84,222	85,906	87,624	89,377	91,164	92,988	94,847
Personal Property (3)	<u>5,038</u>	<u>5,038</u>	<u>5,038</u>	<u>5,038</u>	<u>5,038</u>	<u>5,038</u>	<u>5,038</u>	<u>5,038</u>	<u>5,038</u>	<u>5,038</u>
<b>Total Projected Value</b>	<b>86,308</b>	<b>85,989</b>	<b>87,608</b>	<b>89,260</b>	<b>90,944</b>	<b>92,662</b>	<b>94,415</b>	<b>96,202</b>	<b>98,025</b>	<b>99,885</b>
<b>Taxable Value over Base</b>	<b>13,124</b>	<b>73,184</b>	<b>72,866</b>	<b>74,485</b>	<b>76,136</b>	<b>77,820</b>	<b>79,539</b>	<b>81,291</b>	<b>83,079</b>	<b>84,902</b>
Gross Tax Increment Revenue (4)	851	847	866	885	905	925	945	966	987	1,009
Unitary Tax Revenue (5)	8	8	8	8	8	8	8	8	8	8
<b>Gross Revenues</b>	<b>859</b>	<b>855</b>	<b>874</b>	<b>893</b>	<b>913</b>	<b>933</b>	<b>953</b>	<b>974</b>	<b>995</b>	<b>1,017</b>
<u>Section 33676 BY Inflationary Adjustments (6)</u>										
County Superintendent of Schools	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
San Bernardino Community College Dist.	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(5)
<b>Adjusted Gross Revenues</b>	<b>854</b>	<b>851</b>	<b>869</b>	<b>888</b>	<b>908</b>	<b>927</b>	<b>947</b>	<b>968</b>	<b>989</b>	<b>1,010</b>
<b>LESS:</b>										
SB 2557 Admin. Fee (7)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
County Collection Charge (8)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Housing Set Aside Requirement (9)	(171)	(170)	(174)	(178)	(182)	(185)	(189)	(194)	(198)	(202)
<b>Pass Throughs</b>										
County General Fund (10)	(2)	(12)	(12)	(13)	(13)	(14)	(14)	(15)	(16)	(16)
County Flood Control District (11)	(17)	(17)	(17)	(18)	(18)	(18)	(19)	(19)	(20)	(20)
Colton Unified School District (12)	(29)	(28)	(29)	(30)	(30)	(31)	(32)	(32)	(33)	(34)
Rialto Unified School District (13)	(30)	(30)	(31)	(31)	(32)	(33)	(33)	(34)	(35)	(36)
San Bernardino Vly Municipal Water Dist. (14)	(112)	(111)	(114)	(116)	(119)	(121)	(124)	(127)	(129)	(132)
<b>Tax Revenue</b>	<b>488</b>	<b>476</b>	<b>486</b>	<b>497</b>	<b>507</b>	<b>518</b>	<b>529</b>	<b>540</b>	<b>551</b>	<b>563</b>
<b>Subordinate Obligations</b>										
SB 211 Statutory Tax Sharing Tier 1 (15)	(10)	(9)	(11)	(12)	(14)	(16)	(17)	(19)	(20)	(22)
SB 211 Statutory Tax Sharing Tier 2 (15)	0	0	(1)	(2)	(3)	(4)	(5)	(5)	(6)	(7)
SB 211 Statutory Tax Sharing Tier 3 (15)	0	0	0	0	0	0	0	0	0	0
Enterprise Rent-a-Car OPA Payment (16)	(108)	(108)	0	0	0	0	0	0	0	0
<b>Net Tax Revenue</b>	<b>370</b>	<b>359</b>	<b>475</b>	<b>483</b>	<b>491</b>	<b>499</b>	<b>507</b>	<b>516</b>	<b>524</b>	<b>533</b>

# Successor Agency of the City of Rialto Gateway Redevelopment Project



## Footnotes for Projection of Tax Increment Revenue

6/23/2015

- (1) Taxable values as reported by San Bernardino County.
- (2) Real property consists of land and improvements. Increased for inflation at 1.998% in 2015-16 and at 2% annually thereafter. Values for 2015-16 are decreased by \$2.4 million for projected value loss due to pending assessment appeals. Values for 2015-16 are increased by \$488,102 for 2 transfers of ownership after 1/1/2014.
- (3) Personal property is held constant at 2014-15 level.
- (4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. Override rate for San Bernardino Valley Municipal Water District is projected to remain at \$1.1625 per \$100 of taxable value through FY 2034-35 when this tax rate is scheduled to expire. Projections are based on \$1.00 per \$100 of taxable value beginning in FY 2035-36.
- (5) Unitary Revenue is held constant at 2013-14 level.
- (6) Pursuant to HSC Section 33676 these base year adjustment amounts are withheld by the County. Amounts are based on the taxing entities share of general levy revenue derived from inflationary growth on base year real property assessed value.
- (7) SB 2557 Administrative cost is estimated at 0.51% of Gross Revenue.
- (8) County Collection Charge is calculated at 0.25% of general levy tax increment revenue.
- (9) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debts secured by Housing Set-Aside funds will hereafter be secured by tax revenues allocable to the Successor Agency. Set-Aside amounts shown are illustrative of amounts available for payment of debt service secured by Housing Set-Aside.
- (10) County of San Bernardino receives its stipulated share (15.5%) of inflationary growth on base year real property value.
- (11) Flood Control District receives its stipulated share (2.3%) of general levy tax increment revenue.
- (12) Colton USD receives 30% of its share (32.27%) of general levy tax revenue net of Housing Set-Aside from the portion of the Project Area (49.88%) contained within the District.
- (13) Rialto USD receives 30% of its share (33.70%) of general levy tax revenue net of housing set-aside from the portion of the Project Area (50.12%) contained within the District.
- (14) San Bernardino Valley Municipal Water District receives its share (2.78%) of general levy tax revenue net of housing set-aside. Additionally, the District receives its share (0.1625%) of debt service override revenue net of housing set-aside.
- (15) The Agency has eliminated the Plan's time limit for incurrence of new debt. The Agency is obligated to make tax sharing payments pursuant to Section 33607.7 of the Law beginning in fiscal year 2006-07 and using Project Area values for 2005-06 as an adjusted base year value. Taxing Entities that do not have existing tax sharing agreements receive their prorated shares of 25% of revenue derived from the incremental increase in value above the adjusted base year value net of Housing Set-Aside. In addition, beginning in 2016-17 and using the project area values of 2015-16 as a second adjusted base year value, tax entities without tax sharing agreements receive their prorated shares of 21% of the revenue derived from the incremental difference increase in value above the second adjusted base year value net of Housing Set-Aside. City may only elect to receive its share of Tier 1 payments.
- (16) The Agency has entered into an Owner's Participation Agreement with Enterprise Rent-a-Car calling for the Agency to reimburse Enterprise for \$861,807 in development costs from tax increment revenues derived from the site including 11% simple interest. Payments will be the lesser of 50% of the amount of sales tax generated by the project or annual payments of \$108,222. The level annual payments have to date been the lesser amount and are projected to remain so. Payments began in 1996-97 and will continue through 2015-16. Payments are subordinated to debt service on any bonded debt.

**Successor Agency of the City of Rialto**

**Gateway Redevelopment Project**

**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**

(000s Omitted)



06/23/15

**Table 2**

		<b>Taxable Value</b>	<b>Adjusted Gross</b>	<b>County Admin.</b>	<b>Housing</b>	<b>Pass-Throughs</b>	<b>Tax</b>	<b>Statutory Tax Sharing Payments</b>		<b>Enterprise OPA</b>	<b>Net Tax</b>
	<b>Total</b>	<b>Over Base</b>	<b>Revenue **</b>	<b>Charges</b>	<b>Set-Aside</b>	<b>Agreements</b>	<b>Revenues</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Payments</b>	<b>Revenue</b>
	<b>Taxable Value</b>	<b>13,124</b>									
1	2014-15	86,308	854	(6)	(171)	(189)	488	(10)	0	(108)	370
2	2015-16	85,989	851	(6)	(170)	(198)	476	(9)	0	(108)	359
3	2016-17	87,608	869	(6)	(174)	(203)	486	(11)	(1)		475
4	2017-18	89,260	888	(6)	(178)	(207)	497	(12)	(2)		483
5	2018-19	90,944	908	(7)	(182)	(212)	507	(14)	(3)		491
6	2019-20	92,662	927	(7)	(185)	(217)	518	(16)	(4)		499
7	2020-21	94,415	947	(7)	(189)	(222)	529	(17)	(5)		507
8	2021-22	96,202	968	(7)	(194)	(227)	540	(19)	(5)		516
9	2022-23	98,025	989	(7)	(198)	(233)	551	(20)	(6)		524
10	2023-24	99,885	1,010	(7)	(202)	(238)	563	(22)	(7)		533
11	2024-25	101,782	1,032	(8)	(206)	(244)	574	(24)	(8)		542
12	2025-26	103,717	1,054	(8)	(211)	(249)	587	(26)	(9)		551
13	2026-27	105,691	1,077	(8)	(215)	(255)	599	(28)	(11)		561
14	2027-28	107,704	1,100	(8)	(220)	(261)	611	(29)	(12)		570
15	2028-29	109,757	1,124	(8)	(225)	(267)	624	(31)	(13)		580
16	2029-30	111,851	1,148	(8)	(230)	(273)	637	(33)	(14)		590
17	2030-31	113,988	1,172	(9)	(234)	(279)	650	(35)	(15)		600
18	2031-32	116,167	1,197	(9)	(239)	(285)	664	(37)	(16)		611
19	2032-33	118,389	1,223	(9)	(245)	(292)	678	(39)	(17)		621
20	2033-34	120,656	1,249	(9)	(250)	(298)	692	(41)	(19)		632
21	2034-35	122,969	1,275	(9)	(255)	(305)	706	(43)	(20)		643
22	2035-36	125,327	1,139	(9)	(228)	(181)	722	(40)	(18)		663
23	2036-37	127,733	1,144	(9)	(229)	(170)	737	(41)	(19)		676
			<b>24,145</b>	<b>(176)</b>	<b>(4,829)</b>	<b>(5,504)</b>	<b>13,635</b>	<b>(599)</b>	<b>(223)</b>	<b>(216)</b>	<b>12,597</b>

\*\* Gross Revenue net of Section 33676 BY Inflationary Adjustments

**Successor Agency of the City of Rialto  
Gateway Redevelopment Project**

**Historical Assessed Values**

**Table 3**

	<b>Base Year 1985-86</b>	<b>2005-06</b>	<b>2006-07</b>	<b>Revised Base Year (2007-08)</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<i>Secured (1)</i>												
Land	18,499,119	26,574,935	28,526,388	10,764,684	28,152,619	28,081,444	28,211,742	27,547,368	28,758,949	29,851,638	30,817,203	30,514,632
Improvements	0	37,322,084	42,790,367	0	57,736,551	46,516,565	46,878,421	47,885,014	46,265,980	45,228,581	45,465,862	46,062,148
Personal Property	0	1,203,112	1,055,278	0	464,417	507,696	188,287	105,533	103,932	92,146	110,060	91,989
Exemptions	0	(216,204)	(220,528)	0	0	(229,438)	(234,027)	(233,472)	(235,230)	(1,902,741)	(1,940,795)	(1,306,404)
<b>Total Secured</b>	<b>18,499,119</b>	<b>64,883,927</b>	<b>72,151,505</b>	<b>10,764,684</b>	<b>86,353,587</b>	<b>74,876,267</b>	<b>75,044,423</b>	<b>75,304,443</b>	<b>74,893,631</b>	<b>73,269,624</b>	<b>74,452,330</b>	<b>75,362,365</b>
<i>Unsecured</i>												
Land	0	0	0	0	0	0	0	0	0	0	0	0
Improvements	2,358,900	6,525,390	6,526,417	2,358,900	6,485,776	7,033,233	6,963,930	6,666,302	6,517,606	7,416,836	7,511,803	5,999,806
Personal Property	0	4,170,740	4,024,113	0	4,035,763	4,082,076	3,489,989	3,529,544	3,917,155	4,130,793	3,709,732	4,956,416
Exemptions	0	0	(15,256)	0	(14,350)	(14,214)	(13,092)	(13,087)	(13,780)	(13,161)	(12,011)	(10,590)
<b>Total Unsecured</b>	<b>2,358,900</b>	<b>10,696,130</b>	<b>10,535,274</b>	<b>2,358,900</b>	<b>10,507,189</b>	<b>11,101,095</b>	<b>10,440,827</b>	<b>10,182,759</b>	<b>10,420,981</b>	<b>11,534,468</b>	<b>11,209,524</b>	<b>10,945,632</b>
<b>GRAND TOTAL</b>	<b>20,858,019</b>	<b>75,580,057</b>	<b>82,686,779</b>	<b>13,123,584</b>	<b>96,860,776</b>	<b>85,977,362</b>	<b>85,485,250</b>	<b>85,487,202</b>	<b>85,314,612</b>	<b>84,804,092</b>	<b>85,661,854</b>	<b>86,307,997</b>
Incremental Value		54,722,038	61,828,760		83,737,192	72,853,778	72,361,666	72,363,618	72,191,028	71,680,508	72,538,270	73,184,413
Percentage Growth		#DIV/0!	12.99%		35.43%	-13.00%	-0.68%	0.00%	-0.24%	-0.71%	1.20%	0.89%

Source: County of San Bernardino

(1) Secured values include state assessed non-unitary utility property.

**Successor Agency of the City of Rialto  
Gateway Redevelopment Project**

**TOP TEN TAXABLE PROPERTY OWNERS**

Fiscal Year 2014-15

**Table 4**



6/23/15

	Secured			Unsecured			Total			Property Uses
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Project Taxable Value	% of Project Inc. Value	
1. WalMart Realty Company (Pending Appeals On Parcels)	\$15,784,636	5	20.94%	\$1,149,098	1	10.50%	\$16,933,734	19.62%	23.14%	WalMart Retail Store/Vacant Land
2. Rialto Investment Company LLC	\$5,361,400	1	7.11%	\$0	0	0.00%	\$5,361,400	6.21%	7.33%	Days Inn Hotel
3. Warren Family Bypass Trust	\$3,749,149	3	4.97%	\$375,745	1	3.43%	\$4,124,894	4.78%	5.64%	Industrial Storage Warehouse
4. Opine Rialto LLC	\$3,827,297	2	5.08%	\$0	0	0.00%	\$3,827,297	4.43%	5.23%	Retail Commercial Center
5. K and L Dirt Company LC (Pending Appeals On Parcels)	\$3,235,840	3	4.29%	\$0	0	0.00%	\$3,235,840	3.75%	4.42%	Industrial Distribution Warehouse
6. Sherin Amin	\$2,911,157	4	3.86%	\$0	0	0.00%	\$2,911,157	3.37%	3.98%	Commercial Trucking
7. West Colton Rail Terminal LLC	\$0	0	0.00%	\$2,698,338	1	24.65%	\$2,698,338	3.13%	3.69%	Unsecured Business Property (Rail)
8. Rialto Covenant Group LP (Pending Appeals On Parcels)	\$2,495,054	2	3.31%	\$0	0	0.00%	\$2,495,054	2.89%	3.41%	Retail Commercial Center
9. Golden Tower Properties LLC	\$2,470,848	2	3.28%	\$0	0	0.00%	\$2,470,848	2.86%	3.38%	Retail Commercial Center
10. Ensman Enterprises LLC	\$2,376,845	2	3.15%	\$0	0	0.00%	\$2,376,845	2.75%	3.25%	Light Industrial Manufacturing
Totals:	\$42,212,226	24		\$4,223,181	3		\$46,435,407			
Total Assessed Values:	\$75,362,365		56.01%	\$10,945,632		38.58%	\$86,307,997		53.80%	
Incremental Assessed Value:	64,597,681		65.35%	8,586,732		49.18%	73,184,413		63.45%	

**Successor Agency of the City of Rialto  
Gateway Redevelopment Project**

New Development  
Table 5



6/23/15

<u>Real Property Value</u>	<u>SqFt/ Units</u>	<u>Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Total Value</u>		<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	
					<u>Added</u>	<u>Start</u> <u>Complete</u>						
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
Transfers of Non-Single Family Parcels after 1/1/2014	1	Lump Sum	\$825,000	(\$577,611)	\$247		247	0	0	0	0	
Transfers of Single Family Parcels after 1/1/2014	1	Lump Sum	<u>\$375,000</u>	<u>(\$134,287)</u>	<u>\$241</u>		241	0	0	0	0	
<b>Total Real Property Value</b>			<b>\$1,200,000</b>	<b>(\$711,898)</b>	<b>488</b>		<b>488</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
						Adj. Annually for Inflation @	2.0%	\$488	\$0	\$0	\$0	\$0

000's omitted



**Successor Agency of the City of Rialto**  
**Central Business District Redevelopment Project**



**Projection of Incremental Taxable Value & Tax Increment Revenue**

(000's Omitted)

6/23/2015

**Table 1**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Taxable Values (1)</b>										
Real Property (2)	171,498	176,621	180,153	183,756	187,432	191,180	195,004	198,904	202,882	206,940
Personal Property (3)	<u>11,075</u>	<u>11,075</u>	<u>11,075</u>	<u>11,075</u>	<u>11,075</u>	<u>11,075</u>	<u>11,075</u>	<u>11,075</u>	<u>11,075</u>	<u>11,075</u>
<b>Total Projected Value</b>	<b>182,573</b>	<b>187,696</b>	<b>191,228</b>	<b>194,831</b>	<b>198,506</b>	<b>202,255</b>	<b>206,079</b>	<b>209,979</b>	<b>213,957</b>	<b>218,015</b>
<b>Taxable Value over Base</b>	<b>82,751</b>	<b>99,822</b>	<b>104,945</b>	<b>108,478</b>	<b>112,081</b>	<b>115,756</b>	<b>119,504</b>	<b>123,328</b>	<b>127,228</b>	<b>131,206</b>
Gross Tax Increment Revenue (4)	1,160	1,220	1,261	1,303	1,346	1,389	1,434	1,479	1,525	1,572
Unitary Tax Revenue (5)	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
<b>Gross Revenues</b>	<b>1,167</b>	<b>1,227</b>	<b>1,268</b>	<b>1,310</b>	<b>1,353</b>	<b>1,396</b>	<b>1,441</b>	<b>1,486</b>	<b>1,532</b>	<b>1,579</b>
<b>LESS:</b>										
SB 2557 Admin. Fee (6)	(5)	(5)	(5)	(6)	(6)	(6)	(6)	(6)	(6)	(7)
County Collection Charge (7)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Housing Set Aside Requirement (8)	(233)	(245)	(254)	(262)	(271)	(279)	(288)	(297)	(306)	(316)
<b>Pass Throughs</b>										
County General Fund (9)	(31)	(32)	(33)	(35)	(36)	(37)	(38)	(39)	(40)	(42)
County Flood Control District (9)	(23)	(25)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
County Free Library (9)	(12)	(13)	(13)	(13)	(14)	(14)	(15)	(15)	(16)	(16)
San Bernardino Vly Municipal Water Dist. (10)	<u>(162)</u>	<u>(171)</u>	<u>(176)</u>	<u>(182)</u>	<u>(188)</u>	<u>(194)</u>	<u>(200)</u>	<u>(207)</u>	<u>(213)</u>	<u>(220)</u>
<b>Tax Revenue</b>	<b>698</b>	<b>734</b>	<b>758</b>	<b>783</b>	<b>809</b>	<b>835</b>	<b>861</b>	<b>888</b>	<b>916</b>	<b>944</b>
<b>Subordinate Obligations</b>										
SB 211 Statutory Tax Sharing Tier 1 (11)	(7)	(11)	(14)	(16)	(19)	(22)	(25)	(28)	(31)	(34)
SB 211 Statutory Tax Sharing Tier 2 (11)	0	0	0	0	0	0	0	0	(2)	(3)
County Superintendent of Schools (12)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(3)
San Bernardino Community College Dist. (13)	(11)	(11)	(12)	(12)	(13)	(13)	(13)	(14)	(14)	(15)
Rialto Unified School District (14)	<u>(68)</u>	<u>(71)</u>	<u>(74)</u>	<u>(76)</u>	<u>(79)</u>	<u>(81)</u>	<u>(84)</u>	<u>(86)</u>	<u>(89)</u>	<u>(92)</u>
<b>Net Tax Revenue</b>	<b>610</b>	<b>638</b>	<b>657</b>	<b>676</b>	<b>696</b>	<b>716</b>	<b>737</b>	<b>758</b>	<b>778</b>	<b>798</b>

- (1) Taxable values as reported by San Bernardino County.
- (2) Real property consists of land and improvements. Increased for inflation at 1.998% in 2015-16 and at 2% annually thereafter. Values for 2015-16 are increased by \$2.4 million due to 34 transfers of ownership after 1/1/2014 and decreased by \$699,398 for projected value loss due to pending assessment appeals.
- (3) Personal property is held constant at 2014-15 level.
- (4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. Override rate for San Bernardino Valley Municipal Water District is projected to remain at \$1.1625 per \$100 of taxable value through FY 2034-35 when this tax rate is scheduled to expire. Projections are based on \$1.00 per \$100 of taxable value beginning in FY 2035-36.
- (5) Unitary Revenue is held constant at 2013-14 level.
- (6) SB 2557 Administrative cost is estimated at 0.42% of Gross Revenue.
- (7) County Collection Charge is calculated at 0.25% of general levy tax increment revenue.
- (8) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debts secured by Housing Set-Aside funds will hereafter be secured by tax revenues allocable to the Successor Agency. Set-Aside amounts shown are illustrative of amounts available for payment of debt service secured by Housing Set-Aside.
- (9) San Bernardino Co. (15.33%) receives 25% of its share of general levy tax increment revenue net of Housing Set-Aside. Flood Control (2.91%) and Free Library (1.48%) receive their entire shares of general levy tax increment revenue net of Housing Set-Aside.
- (10) San Bernardino Valley Municipal Water District receives all revenues generated by its voter approved indebtedness rate (0.1625%).
- (11) The Agency has eliminated the Plan's time limit for incurrence of new debt. The Agency is obligated to make tax sharing payments pursuant to Section 33607.7 of the Law beginning in fiscal year 2011-12 and using Project Area values for 2010-11 as an adjusted base year value. Due to negative tax increment in 2011-12, statutory tax sharing is projected to begin in 2012-13. Taxing Entities that do not have existing tax sharing agreements receive their prorated shares of 25% of revenue derived from the incremental increase in value above the adjusted base year value net of Housing Set-Aside. In addition, beginning in 2021-22 and using the Project Area values of 2020-21 as a second adjusted base year value, tax entities without tax sharing agreements receive their prorated shares of 21% of the revenue derived from the incremental difference increase in value above the second adjusted base year value net of Set-Aside. The City may elect to receive its share of the first tier of statutory tax sharing payments.
- (12) County Superintendent of Schools receives 25% of its share (1.04%) of general levy tax increment revenue net of Housing Set-Aside. Payments are subordinate to Agency bonded indebtedness.
- (13) San Bernardino Community College District receives 25% of its share (5.39%) of general levy tax increment revenue net of Housing Set-Aside. Payments are subordinate to Agency bonded indebtedness.
- (14) Rialto Unified School District receives 25% of its share (33.74%) of general levy tax increment revenue net of Housing Set-Aside. Payments are subordinate to Agency bonded indebtedness.

**Successor Agency of the City of Rialto**  
**Central Business District Redevelopment Project**  
**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**  
(000s Omitted)  
**Table 2**

		<b>Taxable Value</b>	<b>Gross Tax</b>	<b>County Admin.</b>	<b>Housing</b>	<b>Pass-Throughs</b>	<b>Tax</b>	<b>Statutory Tax Sharing Payments</b>		<b>Subordinate</b>
	<b>Total</b>	<b>Over Base</b>	<b>Revenue</b>	<b>Charges</b>	<b>Set-Aside</b>	<b>Agreements</b>	<b>Revenues</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Pass-Through</b>
	<b>Taxable Value</b>	<b>82,751</b>								<b>Agreements</b>
1	2014-15	182,573	1,167	(7)	(233)	(228)	698	(7)	0	(81)
2	2015-16	187,696	1,227	(8)	(245)	(240)	734	(11)	0	(85)
3	2016-17	191,228	1,268	(8)	(254)	(248)	758	(14)	0	(88)
4	2017-18	194,831	1,310	(8)	(262)	(256)	783	(16)	0	(91)
5	2018-19	198,506	1,353	(9)	(271)	(265)	809	(19)	0	(94)
6	2019-20	202,255	1,396	(9)	(279)	(273)	835	(22)	0	(97)
7	2020-21	206,079	1,441	(9)	(288)	(282)	861	(25)	0	(100)
8	2021-22	209,979	1,486	(9)	(297)	(291)	888	(28)	0	(103)
9	2022-23	213,957	1,532	(10)	(306)	(300)	916	(31)	(2)	(106)
10	2023-24	218,015	1,579	(10)	(316)	(309)	944	(34)	(3)	(109)
11	2024-25	222,153	1,628	(10)	(326)	(319)	973	(37)	(5)	(113)
12	2025-26	226,375	1,677	(11)	(335)	(328)	1,002	(40)	(6)	(116)
13	2026-27	230,681	1,727	(11)	(345)	(338)	1,032	(43)	(8)	(119)
14	2027-28	235,073	1,778	(11)	(356)	(348)	1,063	(46)	(10)	(123)
15	2028-29	239,553	1,830	(12)	(366)	(359)	1,094	(50)	(12)	(127)
16	2029-30	244,123	1,883	(12)	(377)	(369)	1,125	(53)	(13)	(130)
17	2030-31	248,783	1,937	(12)	(387)	(380)	1,158	(57)	(15)	(134)
18	2031-32	253,538	1,992	(13)	(398)	(390)	1,191	(60)	(17)	(138)
19	2032-33	258,387	2,049	(13)	(410)	(402)	1,224	(64)	(19)	(142)
20	2033-34	263,333	2,106	(13)	(421)	(413)	1,259	(68)	(21)	(146)
21	2034-35	268,378	2,165	(14)	(433)	(424)	1,294	(71)	(23)	(150)
22	2035-36	273,524	1,935	(13)	(387)	(146)	1,389	(65)	(21)	(154)
23	2036-37	278,773	1,967	(13)	(393)	(130)	1,431	(68)	(23)	(158)
24	2037-38	284,127	2,021	(14)	(404)	(133)	1,470	(71)	(25)	(162)
25	2038-39	289,588	2,075	(14)	(415)	(137)	1,510	(75)	(27)	(167)
26	2039-40	295,159	2,131	(14)	(426)	(140)	1,550	(79)	(29)	(171)
27	2040-41	300,840	2,188	(15)	(438)	(144)	1,592	(82)	(31)	(176)
			<u>46,848</u>	<u>(303)</u>	<u>(9,370)</u>	<u>(7,593)</u>	<u>29,582</u>	<u>(1,235)</u>	<u>(309)</u>	<u>(3,377)</u>

**Successor Agency of the City of Rialto  
Central Business District Redevelopment Project**



Historical Taxable Value  
Table 3

06/23/15

	<b>Base Year 1989-90</b>	<b>2005-06</b>	<b>2006-07</b>	<b>Revised Base Year (2007-08)</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<i>Secured (1)</i>												
Land	69,589,157	44,284,512	49,790,990	69,596,032	57,955,635	62,495,172	55,126,917	50,471,532	50,158,813	50,901,185	52,174,603	54,552,296
Impts	0	103,615,952	122,591,664	0	139,834,963	144,955,325	133,087,776	120,833,872	119,288,799	119,645,007	122,339,572	128,513,336
Pers Prop	0	65,900	73,913	0	61,989	61,532	66,033	69,952	33,240	38,288	29,446	35,124
Exemptions	0	(7,876,511)	(7,351,631)	0	(8,382,988)	(14,977,949)	(19,810,436)	(19,805,045)	(19,852,109)	(20,247,793)	(20,695,884)	(20,995,948)
<b>Total Secured</b>	<b>69,589,157</b>	<b>140,089,853</b>	<b>165,104,936</b>	<b>69,596,032</b>	<b>189,469,599</b>	<b>192,534,080</b>	<b>168,470,290</b>	<b>151,570,311</b>	<b>149,628,743</b>	<b>150,336,687</b>	<b>153,847,737</b>	<b>162,104,808</b>
<i>Unsecured</i>												
Land	0	0	0	0	0	0	0	0	0	0	0	0
Impts	13,154,627	5,470,081	5,643,005	13,154,627	7,705,267	9,222,111	10,529,062	7,921,972	7,701,040	6,436,347	9,885,411	9,428,125
Pers Prop	0	15,737,245	16,598,824	0	13,462,216	15,022,037	16,705,924	13,348,156	14,178,032	12,954,622	11,161,003	11,039,744
Exemptions	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Unsecured</b>	<b>13,154,627</b>	<b>21,207,326</b>	<b>22,241,829</b>	<b>13,154,627</b>	<b>21,167,483</b>	<b>24,244,148</b>	<b>27,234,986</b>	<b>21,270,128</b>	<b>21,879,072</b>	<b>19,390,969</b>	<b>21,046,414</b>	<b>20,467,869</b>
<b>GRAND TOTAL</b>	<b>82,743,784</b>	<b>161,297,179</b>	<b>187,346,765</b>	<b>82,750,659</b>	<b>210,637,082</b>	<b>216,778,228</b>	<b>195,705,276</b>	<b>172,840,439</b>	<b>171,507,815</b>	<b>169,727,656</b>	<b>174,894,151</b>	<b>182,572,677</b>
Incremental Value		78,553,395	104,602,981		127,886,423	134,027,569	112,954,617	90,089,780	88,757,156	86,976,997	92,143,492	99,822,018
Percentage Growth			33.16%		22.26%	4.80%	-15.72%	-20.24%	-1.48%	-2.01%	5.94%	8.33%

Source: County of San Bernardino

(1) Secured values include state assessed non-unitary utility property.

**Successor Agency of the City of Rialto  
Central Business District Redevelopment Project**

**TOP TEN TAXABLE PROPERTY OWNERS**

Fiscal Year 2014-15

**Table 4**



06/23/15

	Secured			Unsecured			Total			Property Uses
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Project Taxable Value	% of Project Inc. Value	
1. Time Warner NY Cabel LLC	\$1,128,000	1	0.70%	\$5,250,095	1	25.65%	\$6,378,095	3.49%	6.39%	Cable Television Facilities
2. MHC-Parque La Quinta LP	\$5,956,908	1	3.67%	\$0	0	0.00%	\$5,956,908	3.26%	5.97%	Residential Mobile Home Park
3. Cubesmart LP	\$3,605,294	2	2.22%	\$34,491	1	0.17%	\$3,639,785	1.99%	3.65%	Commercial Mini-Storage
4. Securities Real Estate Fund 2012 LLC <small>(Pending Appeals On Parcels)</small>	\$3,575,961	4	2.21%	\$0	0	0.00%	\$3,575,961	1.96%	3.58%	Commercial Mini-Storage
5. JP Morgan Chase Bank National Assoc.	\$2,373,916	5	1.46%	\$337,328	2	1.65%	\$2,711,244	1.49%	2.72%	Commercial Bank/Parking
6. Rialto Garden Apartments	\$2,637,000	5	1.63%	\$0	0	0.00%	\$2,637,000	1.44%	2.64%	Residential Apartments
7. Bloom Energy 2009 PPA Project Co	\$0	0	0.00%	\$2,454,127	1	11.99%	\$2,454,127	1.34%	2.46%	Unsecured - Solar Energy
8. Edward M. Palmer	\$2,287,792	17	1.41%	\$38,059	3	0.19%	\$2,325,851	1.27%	2.33%	Commercial/Residential/Misc. Land Uses
9. Directv LLC	\$0	0	0.00%	\$1,994,741	1	9.75%	\$1,994,741	1.09%	2.00%	Unsecured - Satellite TV
10. Rialto Pockets Properties Inc.	\$1,497,345	2	0.92%	\$296,582	1	1.45%	\$1,793,927	0.98%	1.80%	Retail Commercial Center
Totals:	\$23,062,216	37		\$10,405,423	10		\$33,467,639			
Total Assessed Values:	\$162,104,808		14.23%	\$20,467,869		50.84%	\$182,572,677	18.33%		
Incremental Assessed Value:	92,508,776		24.93%	7,313,242		142.28%	99,822,018	33.53%		

Successor Agency of the City of Rialto  
 Central Business District Redevelopment Project  
 New Development  
 Table 5



06/23/15

<u>Real Property Value</u>	<u>SqFt/ Units</u>	<u>Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>000's omitted Total Value</u>		<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	
					<u>Added</u>	<u>Start</u>						<u>Complete</u>
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
	0	\$0.00	\$0	\$0	\$0		0	0	0	0	0	
Transfers of Non-Single Family Parcels after 1/1/2014	8	Lump Sum	\$1,943,000	(\$1,349,703)	\$593		593	0	0	0	0	
Transfers of Single Family Parcels after 1/1/2014	26	Lump Sum	<u>\$4,791,500</u>	<u>(\$2,974,774)</u>	<u>\$1,817</u>		1,817	0	0	0	0	
<b>Total Real Property Value</b>			<b>\$6,734,500</b>	<b>(\$4,324,477)</b>	<b>2,410</b>		<b>2,410</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
						Adj. Annually for Inflation @	2.0%	\$2,410	\$0	\$0	\$0	\$0

**Successor Agency of the City of Rialto  
Added Territory Project Area**



**Projection of Incremental Taxable Value & Tax Increment Revenue**

(000's Omitted)

6/23/2015

**Table 1**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Taxable Values (1)</b>										
Real Property (2)	1,528,698	1,561,142	1,592,365	1,624,212	1,656,696	1,689,830	1,723,627	1,758,099	1,793,261	1,829,127
Personal Property (3)	<u>93,442</u>	<u>93,442</u>	<u>93,442</u>	<u>93,442</u>	<u>93,442</u>	<u>93,442</u>	<u>93,442</u>	<u>93,442</u>	<u>93,442</u>	<u>93,442</u>
<b>Total Projected Value</b>	<b>1,622,140</b>	<b>1,654,584</b>	<b>1,685,807</b>	<b>1,717,654</b>	<b>1,750,138</b>	<b>1,783,272</b>	<b>1,817,069</b>	<b>1,851,541</b>	<b>1,886,703</b>	<b>1,922,568</b>
<b>Taxable Value over Base</b>	<b>478,615</b>	<b>1,143,524</b>	<b>1,175,968</b>	<b>1,207,191</b>	<b>1,239,038</b>	<b>1,271,523</b>	<b>1,304,657</b>	<b>1,338,453</b>	<b>1,372,926</b>	<b>1,443,953</b>
Gross Tax Increment Revenue (4)	12,835	13,178	13,528	13,885	14,249	14,620	14,999	15,385	15,779	16,181
Unitary Tax Revenue (5)	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>
<b>Gross Revenues</b>	<b>12,882</b>	<b>13,225</b>	<b>13,575</b>	<b>13,931</b>	<b>14,295</b>	<b>14,667</b>	<b>15,045</b>	<b>15,432</b>	<b>15,826</b>	<b>16,228</b>
<b>LESS:</b>										
SB 2557 Admin. Fee (6)	(67)	(68)	(70)	(72)	(74)	(76)	(78)	(80)	(82)	(84)
County Collection Charge (7)	(29)	(30)	(30)	(31)	(32)	(33)	(34)	(34)	(35)	(36)
Housing Set Aside Requirement (8)	<u>(2,576)</u>	<u>(2,645)</u>	<u>(2,715)</u>	<u>(2,786)</u>	<u>(2,859)</u>	<u>(2,933)</u>	<u>(3,009)</u>	<u>(3,086)</u>	<u>(3,165)</u>	<u>(3,246)</u>
<b>Tax Revenues</b>	<b>10,210</b>	<b>10,482</b>	<b>10,759</b>	<b>11,042</b>	<b>11,331</b>	<b>11,625</b>	<b>11,925</b>	<b>12,231</b>	<b>12,544</b>	<b>12,862</b>
<b>Subordinate Pass Throughs</b>										
AB 1290 Statutory Tax Sharing Tier 1 (9)	(2,576)	(2,645)	(2,715)	(2,786)	(2,859)	(2,933)	(3,009)	(3,086)	(3,165)	(3,246)
AB 1290 Statutory Tax Sharing Tier 2 (9)	(442)	(503)	(562)	(622)	(683)	(745)	(809)	(874)	(940)	(1,008)
AB 1290 Statutory Tax Sharing Tier 3 (9)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Tax Revenues</b>	<b><u>7,192</u></b>	<b><u>7,334</u></b>	<b><u>7,482</u></b>	<b><u>7,634</u></b>	<b><u>7,788</u></b>	<b><u>7,946</u></b>	<b><u>8,107</u></b>	<b><u>8,271</u></b>	<b><u>8,438</u></b>	<b><u>8,609</u></b>

- (1) Taxable values as reported by San Bernardino County.
- (2) Real property consists of land and improvements. Increased for inflation at 1.998% in 2015-16 and at 2% annually thereafter. Values for 2015-16 are increased by \$31 million due to 145 transfers of ownership after 1/1/2014 and decreased by \$28.6 million for projected value loss due to pending assessment appeals.
- (3) Personal property is held constant at 2014-15 level.
- (4) Projected Gross Tax Increment is based upon incremental taxable values factored against an assumed Project tax rate and adjusted for indebtedness approved by voters after 1988. Override rates for San Bernardino Valley Municipal Water District and Metropolitan Water District are projected to remain at their current tax rates per \$100 of taxable value through FY 2034-35 when both tax rates are scheduled to expire. Projections are based on \$1.00 per \$100 of taxable value beginning in FY 2035-36.
- (5) Unitary Revenue is held constant at 2013-14 level.
- (6) SB 2557 Administrative cost is estimated at 0.52% of Gross Revenue.
- (7) County Collection Charge is calculated at 0.25% of general levy tax increment revenue.
- (8) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debts secured by Housing Set-Aside funds will hereafter be secured by tax revenues allocable to the Successor Agency. Set-Aside amounts shown are illustrative of amounts available for payment of debt service secured by Housing Set-Aside.
- (9) All Taxing Entities receive their shares of 25% of total tax increment revenue net of Housing Set-Aside. In addition, after year 10, Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value net of Housing Set-Aside. After year 30, Taxing Entities also receive 14% of tax revenue on incremental value above the year 30 value net of Housing Set-Aside. The City of Rialto may elect to receive its share of the first Tier of tax sharing but is not permitted to participate in the pass through from Tiers 2 and 3.

# Successor Agency of the City of Rialto

## Added Territory Project Area

### PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE

(000s Omitted)

Table 2



06/23/15

		Taxable Value		Gross Tax Revenue	County Admin. Charges	Housing Set-Aside	Tax Revenues	Statutory Tax Sharing Payments			Net Tax Revenues
		Total Taxable Value	Over Base					Tier 1	Tier 2	Tier 3	
1	2014-15	1,622,140	1,143,524	12,882	(95)	(2,576)	10,210	(2,576)	(442)	0	7,192
2	2015-16	1,654,584	1,175,968	13,225	(98)	(2,645)	10,482	(2,645)	(503)	0	7,334
3	2016-17	1,685,807	1,207,191	13,575	(100)	(2,715)	10,759	(2,715)	(562)	0	7,482
4	2017-18	1,717,654	1,239,038	13,931	(103)	(2,786)	11,042	(2,786)	(622)	0	7,634
5	2018-19	1,750,138	1,271,523	14,295	(106)	(2,859)	11,331	(2,859)	(683)	0	7,788
6	2019-20	1,783,272	1,304,657	14,667	(109)	(2,933)	11,625	(2,933)	(745)	0	7,946
7	2020-21	1,817,069	1,338,453	15,045	(111)	(3,009)	11,925	(3,009)	(809)	0	8,107
8	2021-22	1,851,541	1,372,926	15,432	(114)	(3,086)	12,231	(3,086)	(874)	0	8,271
9	2022-23	1,886,703	1,408,088	15,826	(117)	(3,165)	12,544	(3,165)	(940)	0	8,438
10	2023-24	1,922,568	1,443,953	16,228	(120)	(3,246)	12,862	(3,246)	(1,008)	0	8,609
11	2024-25	1,959,151	1,480,536	16,638	(123)	(3,328)	13,187	(3,328)	(1,076)	0	8,783
12	2025-26	1,996,465	1,517,850	17,056	(126)	(3,411)	13,518	(3,411)	(1,147)	0	8,960
13	2026-27	2,034,526	1,555,910	17,482	(129)	(3,496)	13,856	(3,496)	(1,218)	0	9,142
14	2027-28	2,073,347	1,594,732	17,917	(133)	(3,583)	14,201	(3,583)	(1,291)	0	9,326
15	2028-29	2,112,945	1,634,330	18,361	(136)	(3,672)	14,553	(3,672)	(1,366)	0	9,515
16	2029-30	2,153,335	1,674,720	18,814	(139)	(3,763)	14,912	(3,763)	(1,442)	0	9,707
17	2030-31	2,194,533	1,715,918	19,275	(143)	(3,855)	15,278	(3,855)	(1,520)	0	9,903
18	2031-32	2,236,555	1,757,940	19,746	(146)	(3,949)	15,651	(3,949)	(1,599)	0	10,103
19	2032-33	2,279,417	1,800,802	20,227	(150)	(4,045)	16,032	(4,045)	(1,679)	0	10,307
20	2033-34	2,323,137	1,844,521	20,716	(153)	(4,143)	16,420	(4,143)	(1,762)	(55)	10,460
21	2034-35	2,367,731	1,889,115	21,216	(157)	(4,243)	16,816	(4,243)	(1,846)	(111)	10,616
22	2035-36	2,413,217	1,934,601	19,629	(150)	(3,926)	15,553	(3,926)	(1,723)	(150)	9,754
23	2036-37	2,459,612	1,980,997	19,857	(152)	(3,971)	15,733	(3,971)	(1,801)	(202)	9,759
24	2037-38	2,506,936	2,028,320	20,330	(156)	(4,066)	16,108	(4,066)	(1,881)	(255)	9,906
25	2038-39	2,555,205	2,076,590	20,813	(160)	(4,163)	16,491	(4,163)	(1,962)	(309)	10,057
26	2039-40	2,604,441	2,125,825	21,305	(163)	(4,261)	16,881	(4,261)	(2,045)	(364)	10,211
27	2040-41	2,654,661	2,176,045	21,807	(167)	(4,361)	17,279	(4,361)	(2,129)	(420)	10,368
28	2041-42	2,705,885	2,227,270	22,320	(171)	(4,464)	17,684	(4,464)	(2,215)	(478)	10,528
29	2042-43	2,758,134	2,279,518	22,842	(175)	(4,568)	18,098	(4,568)	(2,303)	(536)	10,691
30	2043-44	2,811,428	2,332,812	23,375	(179)	(4,675)	18,521	(4,675)	(2,392)	(596)	10,857
31	2044-45	2,865,787	2,387,172	23,919	(183)	(4,784)	18,951	(4,784)	(2,484)	(657)	11,027
32	2045-46	2,921,234	2,442,619	24,473	(188)	(4,895)	19,391	(4,895)	(2,577)	(719)	11,200
33	2046-47	2,977,790	2,499,175	25,039	(192)	(5,008)	19,839	(5,008)	(2,672)	(782)	11,377
34	2047-48	3,035,477	2,556,862	25,615	(196)	(5,123)	20,296	(5,123)	(2,769)	(847)	11,557
				<b>643,877</b>	<b>(4,844)</b>	<b>(128,775)</b>	<b>510,258</b>	<b>(128,775)</b>	<b>(52,088)</b>	<b>(6,480)</b>	<b>322,915</b>

# Successor Agency of the City of Rialto

## Added Territory Project Area

### Historical Taxable Value

Table 3



06/23/15

	<b>Base Year</b>	<b>2005-06</b>	<b>2003-04 (2)</b>	<b>2004-05 (3)</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<i>Secured (1)</i>	<b>2001-02</b>										
Land	442,056,388	255,638,809	311,106,472	406,215,048	461,650,704	451,906,064	416,342,242	419,024,797	411,788,225	434,378,239	477,918,180
Impts	0	477,760,432	657,083,584	788,686,029	969,179,345	884,606,114	851,628,573	875,615,210	887,600,682	925,020,096	1,044,703,118
Pers Prop	0	625,275	569,850	615,478	508,884	520,002	478,527	0	0	0	0
Exemptions	0	(32,326,887)	(34,729,674)	(35,467,662)	(35,659,783)	(35,817,139)	(37,523,585)	(65,241,561)	(70,210,071)	(84,787,302)	(85,356,655)
<b>Total Secured</b>	<b>442,056,388</b>	<b>701,697,629</b>	<b>934,030,232</b>	<b>1,160,048,893</b>	<b>1,395,679,150</b>	<b>1,301,215,041</b>	<b>1,230,925,757</b>	<b>1,229,398,446</b>	<b>1,229,178,836</b>	<b>1,274,611,033</b>	<b>1,437,264,643</b>
<i>Unsecured</i>											
Land	0	0	0	0	0	0	0	0	0	0	0
Impts	0	19,549,982	31,079,079	42,675,183	54,674,235	56,592,422	50,929,586	50,648,839	87,745,620	70,558,357	91,433,170
Pers Prop	36,559,085	29,964,419	27,893,091	69,880,877	81,775,077	84,749,363	76,539,008	70,957,781	70,786,111	68,811,677	93,801,892
Exemptions	0	(297,509)	(10,985)	(77,197)	(326,292)	(390,293)	(381,090)	(348,477)	(370,078)	(386,881)	(359,936)
<b>Total Unsecured</b>	<b>36,559,085</b>	<b>49,216,892</b>	<b>58,961,185</b>	<b>112,478,863</b>	<b>136,123,020</b>	<b>140,951,492</b>	<b>127,087,504</b>	<b>121,258,143</b>	<b>158,161,653</b>	<b>138,983,153</b>	<b>184,875,126</b>
<b>GRAND TOTAL</b>	<b>478,615,473</b>	<b>750,914,521</b>	<b>992,991,417</b>	<b>1,272,527,756</b>	<b>1,531,802,170</b>	<b>1,442,166,533</b>	<b>1,358,013,261</b>	<b>1,350,656,589</b>	<b>1,387,340,489</b>	<b>1,413,594,186</b>	<b>1,622,139,769</b>
Incremental Value		272,299,048	514,375,944	793,912,283	1,053,186,697	963,551,060	879,397,788	872,041,116	908,725,016	934,978,713	1,143,524,296
Percentage Growth			32.24%	28.15%	20.37%	-5.85%	-5.84%	-0.54%	2.72%	1.89%	14.75%

Source: County of San Bernardino

(1) Secured values include state assessed non-unitary utility property.



**Successor Agency of the City of Rialto**

**Added Territory Project Area**

**TOP TEN TAXABLE PROPERTY OWNERS**

Fiscal Year 2014-15

**Table 4**



06/23/15

	Secured			Unsecured			Total			Property Uses
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Project Taxable Value	% of Project Inc. Value	
1. Target Corporation	\$186,640,558	16	12.99%	\$69,716,071	2	37.71%	\$256,356,629	15.80%	22.42%	Industrial Distribution Warehouse
2. Prologis-MacQuarie US LLC (Pending Appeals On Parcels)	\$182,391,512	18	12.69%	\$0	0	0.00%	\$182,391,512	11.24%	15.95%	Industrial Distribution Warehouse
3. Teachers Insurance and Annuity Assoc.	\$109,243,725	2	7.60%	\$0	0	0.00%	\$109,243,725	6.73%	9.55%	Industrial Distribution Warehouse
4. I-210 Logistics Center Fund X LLC	\$42,688,657	9	2.97%	\$0	0	0.00%	\$42,688,657	2.63%	3.73%	Industrial Warehouse/Vacant Land
5. Under Armour Inc.	\$0	0	0.00%	\$20,683,710	2	11.19%	\$20,683,710	1.28%	1.81%	Athletic Clothing Distribution Center
6. Rialto Industrial Center Inc.	\$17,008,871	3	1.18%	\$0	0	0.00%	\$17,008,871	1.05%	1.49%	Industrial Distribution Warehouse
7. LBA Realty Fund III Company IV-E LLC (Pending Appeals On Parcels)	\$14,100,000	1	0.98%	\$0	0	0.00%	\$14,100,000	0.87%	1.23%	Industrial Distribution Warehouse
8. Living Spaces Furniture LLC]	\$0	0	0.00%	\$13,369,694	2	7.23%	\$13,369,694	0.82%	1.17%	Furniture Warehouse/Distribution
9. EMS Family LP	\$13,235,146	1	0.92%	\$0	0	0.00%	\$13,235,146	0.82%	1.16%	Retail Commercial Center
10. Rialto Properties I (Pending Appeals On Parcels)	\$11,890,210	9	0.83%	\$0	0	0.00%	\$11,890,210	0.73%	1.04%	Retail Commercial Center
Totals:	\$577,198,679	59		\$103,769,475	6		\$680,968,154			
Total Assessed Values:	\$1,437,264,643		40.16%	\$184,875,126		56.13%	\$1,622,139,769	41.98%		
Incremental Assessed Value:	995,208,255		58.00%	148,316,041		69.97%	1,143,524,296	59.55%		

Successor Agency of the City of Rialto  
 Added Territory Project Area  
 New Development  
 Table 5



06/23/15

<u>Real Property Value</u>	<u>SqFt/ Units</u>	<u>Value</u>	<u>Total Value</u>	<u>Less Existing</u>	<u>Total Value</u>		<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
					<u>Added</u>	<u>Start</u>					
	0	\$0	\$0	\$0	\$0		0	0	0	0	0
	0	\$0	\$0	\$0	\$0		0	0	0	0	0
	0	\$0	\$0	\$0	\$0		0	0	0	0	0
	0	\$0	\$0	\$0	\$0		0	0	0	0	0
	0	\$0	\$0	\$0	\$0		0	0	0	0	0
	0	\$0	\$0	\$0	\$0		0	0	0	0	0
	0	\$0	\$0	\$0	\$0		0	0	0	0	0
Transfers of Non-Single Family Parcels after 1/1/2014	30	Lump Sum	\$38,230,637	(\$16,810,913)	\$21,420		21,420	0	0	0	0
Transfers of Single Family Parcels after 1/1/2014	115	Lump Sum	\$27,592,955	(\$17,988,823)	\$9,604		9,604	0	0	0	0
<b>Total Real Property Value</b>			<b>\$65,823,592</b>	<b>(\$34,799,736)</b>	<b>31,024</b>		<b>31,024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
					Adj. Annually for Inflation @	2.0%	\$31,024	\$0	\$0	\$0	\$0

**APPENDIX I**  
**RECOGNIZED OBLIGATION PAYMENT SCHEDULES**

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## Modified Recognized Obligation Payment Schedule #1\*

For Period: January 1, 2012 to June 30, 2012

Name of Successor Agency

Successor Agency for the Redevelopment Agency of the City of Rialto

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
<b>Outstanding Debt or Obligation</b>	\$ 865,958,130.18	\$ -
	<b>Total Due for Six Month Period</b>	
<b>Outstanding Debt or Obligation</b>	\$ 36,124,195.60	
Available Revenues other than anticipated funding from RPTTF - Bonds	\$ 28,192,192.63	
Available Revenues other than anticipated funding from RPTTF - Non-Bonds	\$ 726,960.36	
Enforceable Obligations paid with RPTTF - Future Payments	\$ -	
Enforceable Obligations paid with RPTTF - Current Payments	\$ 6,861,945.61	
Administrative Cost paid with RPTTF	\$ 343,097.00	
Pass-through Payments paid with RPTTF	\$ -	
<b>Administrative Allowance</b> (greater of 5% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 343,097.28	

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(l) of the Health and Safety code,  
I hereby certify that the above is a true and accurate Recognized  
Enforceable Payment Schedule for the above named agency.

<u>BOB PAGE, CHAIR</u> Name	
<u>[Signature]</u> Signature	<u>5/3/12</u> Date

\*On April 5, 2012, the Oversight Board approved a Recognized Obligation Payment Schedule ("ROPS") covering the period from January 1, 2012 to June 30, 2012. The ROPS was submitted to the Department of Finance, the County Auditor-Controller, and the State Controller. Pursuant to Section 34179(h), on April 19, 2012 the Department of Finance issued a letter denying certain items on the ROPS. On May 3, 2012, the Oversight Board approved modifying the ROPS and submitting a request to the Department of Finance to reconsider the items as enforceable obligations. In addition, certain items require additional time to obtain supporting documents to the Department of Finance. The ROPS approved by the Oversight Board serves as the modified version from the previous approved ROPS. Approval of the modified ROPS does not include the approval of the subject items until further determination.

**Modified RECOGNIZED OBLIGATION PAYMENT SCHEDULE #1**  
 Per AB 26 - Section 34177

Project Name / Debt Obligation	Payee	Description	Funding Sources	Total Outstanding Debt or Obligation	Notes	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)						
						Payments by month - Year 2012						
						Jan	Feb	Mar	Apr	May	Jun	Total Paid
1) 2003 Series A TAB's	Union Bank/Trustee	Public Improvement Bonds	RPTTF	\$ 37,098,100.00	1			\$ 590,787.50			512,500.00	\$ 1,103,287.50
2) 2005 Series A TAB's	Union Bank/Trustee	Public Improvement Bonds	RPTTF	\$ 45,479,323.00	1			\$ 554,802.50			92,500.00	\$ 647,302.50
3) 2005 Series B TAB's	Union Bank/Trustee	Housing Bonds	RPTTF	\$ 16,892,561.25	1			\$ 248,243.75			0.00	\$ 248,243.75
4) 2005 Series C TAB's	Union Bank/Trustee	Public Improvement Bonds	RPTTF	\$ 32,059,828.00	1			\$ 450,695.00			207,500.00	\$ 658,195.00
5) 2008 Series A TAB's	Union Bank/Trustee	Public Improvement Bonds	RPTTF	\$ 87,096,901.00	1			\$ 1,138,428.75			240,000.00	\$ 1,378,428.75
6) 2008 Series B TAB's	Union Bank/Trustee	Housing Bonds	RPTTF	\$ 66,467,000.00	1			\$ 1,023,937.50			152,500.00	\$ 1,176,437.50
7) 2008 Series C TAB's	Union Bank/Trustee	Public Improvement Bonds	RPTTF	\$ 49,192,125.00	1			\$ 784,500.00			140,000.00	\$ 924,500.00
8) 2007 COP Reimbursement Agt**	City of Rialto	Public Improvement Bonds	RPTTF	\$ 2,062,040.00		\$ 192,765.03						\$ 192,765.03
9) Walmart DDA	Hubbs	Sales Tax Rebate Agreement	RPTTF	\$ 2,726,514.34	3			\$ 75,000.00			\$ 75,000.00	\$ 150,000.00
10) Enterprise OPA	Enterprise	Sales Tax Rebate Agreement	RPTTF	\$ 568,165.29	3			\$ 21,058.74			\$ 21,058.74	\$ 42,117.48
11) Pusan Pipe OPA	Pusan Pipe	Sales Tax Rebate Agreement	RPTTF	\$ 153,176.48		\$ 37,585.00						\$ 37,585.00
12) Riverside Easton Retail Project	Sprint/Nextel / Overland Pacific and Cutler	Relocation of Cell Towers	RPTTF	\$ 349,600.00	2	\$ -	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 30,000.00
13) Oversight Board Support Services	Oversight Board	For Legal and other needed services	RPTTF	\$ 530,000.00	4		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 50,000.00
14) Monitor Housing Agreements	Rialto Housing Authority/Keyser Marston Association	Affordable Housing Agreement Monitor	RPTTF	\$ 400,000.00	4	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 40,000.00
15) Legal Services	Stradling Yocca, Carlson & Rauth	Legal services for on-going projects	RPTTF	\$ 520,000.00	4		\$ -	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 40,000.00
16) Project Management	Rialto Housing Authority	For on-going affordable housing projects	RPTTF	\$ 305,280.00	4		\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 28,800.00
17) Project Management	City of Rialto	For on-going projects	RPTTF	\$ 280,348.80	4		\$ 5,289.60	\$ 5,289.60	\$ 5,289.60	\$ 5,289.60	\$ 5,289.60	\$ 26,448.00
18) Lease of copy machine	Konica Minolta	Lease for copy machine	RPTTF	\$ 5,320.00			\$ 266.02	\$ 266.02	\$ 266.02	\$ 266.02	\$ 266.02	\$ 1,330.10
19) Property Maintenance	Successor Agency	Repairs and maintenance of RDA properties	RPTTF	\$ 79,500.00	4		\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 7,500.00
20) Weed Abatement	Kinco Weed Abatement	Weed abatement of RDA vacant lots	RPTTF	\$ 48,000.00	4						\$ 8,000.00	\$ 8,000.00
21) EPA Brownfield Grant	RDA Match Expenses	Agency 20% match for EPA Grant	RPTTF	\$ 38,500.00	2	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 10,000.00
22) General Plan Update	Hogle-Ireland Inc.	Contract Services - Planning	RPTTF	\$ 39,480.25	2	\$ 1,000.00	\$ 5,501.00	\$ 5,501.00	\$ 5,501.00	\$ 5,501.00	\$ 5,501.00	\$ 28,505.00
23) Bond Servicing	Willdan/Union Bank	Trustee Fees/Arbitrage Rebate Services	RPTTF	\$ 540,000.00	4		\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 8,500.00
24) Low Income Senior Repair	Oldtimers Foundation	Contract Services - Contractors	RPTTF	\$ 48,000.00	2	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 24,000.00
<b>Totals - This Page</b>				\$ 342,979,763.41		\$ 236,350.03	\$ 41,016.62	\$ 4,949,470.36	\$ 62,016.62	\$ 62,016.62	\$ 1,511,075.36	\$ 6,861,945.61
<b>Totals - Page 1 (RPTTF funding for current period of ROPS obligation payments)</b>				\$ 342,979,763.41		\$ 236,350.03	\$ 41,016.62	\$ 4,949,470.36	\$ 62,016.62	\$ 62,016.62	\$ 1,511,075.36	\$ 6,861,945.61
<b>Totals - Page 2 (RPTTF funding for future ROPS obligation payments)</b>				\$ 256,966,438.88		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Totals - Page 3 (Other funding sources for ROPS obligation payments)</b>				\$ 104,430,565.66		\$ 326,875.36	\$ 18,017.00	\$ 20,017.00	\$ 121,017.00	\$ 123,017.00	\$ 118,017.00	\$ 726,960.36
<b>Totals - Page 4 (Bond proceeds funding sources for ROPS obligation payments)</b>				\$ 161,581,362.23		\$ 2,486,472.00	\$ 2,482,875.00	\$ 5,712,325.66	\$ 5,672,325.66	\$ 5,871,325.66	\$ 5,966,868.65	\$ 28,192,192.63
<b>Totals - Page 5 (Administrative Allowance)</b>				\$ -		\$ -	\$ 68,619.80	\$ 68,619.80	\$ 68,619.80	\$ 68,619.80	\$ 68,617.80	\$ 343,097.00
<b>Totals - Page 6 (Pass-Through Payments)</b>				\$ 180,730,702.00		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Grand total - All Pages</b>				\$ 865,958,130.18		\$ 3,049,697.39	\$ 2,610,528.42	\$ 10,750,432.82	\$ 5,923,979.08	\$ 6,124,979.08	\$ 7,664,578.81	\$ 36,124,195.60

\*The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) report was approved by the Successor Agency on February 28, 2012, subject to further approval by the oversight board and audited by the County Auditor-Controller.  
 \*\*Item denied by Department of Finance per letter dated April 19, 2012. Successor Agency has submitted a request to reconsider item as enforceable obligation. Currently awaiting decision. Approval of the ROPS does not include approval of this item until further determination.

**Funding Sources:**  
 RPTTF Redevelopment Property Tax Trust Fund  
 PTI Property Tax Increment  
 LMH Low Mod Housing Fund  
 BP Bond Proceeds  
 ACA Administrative Cost Allowance  
 LSP Land Sale Proceeds  
 ROPS Recognized Obligation Payment Schedule

**Notes:**  
 1 - Bond payment funding from RPTTF requested in June 2012 to ensure sufficient funds from RPTTF to cover bond payments for September 2012.  
 2 - Total due for fiscal year and monthly costs are estimates. Services required and payments made may extend to future fiscal years.  
 3 - Payment amount is an estimate.  
 4 - Subject to need for services. Monthly payment and total outstanding amounts are estimates.

**Modified RECOGNIZED OBLIGATION PAYMENT SCHEDULE #1**  
 Per AB 26 - Section 34177

Project Name / Debt Obligation	Payee	Description	Funding Source	Total Outstanding Debt or Obligation	Notes	Future payment from the Redevelopment Property Tax Trust Fund (RPTTF)						
						Payments by month - Year 2012						
						Jan	Feb	Mar	Apr	May	Jun	Total Paid
1) Area B/C/D COS	Lewis Hillwood Rialto LLC	Option Contract	RPTTF		1							
2) Area A COS	Lewis Hillwood Rialto LLC	Option Contract	RPTTF		1							
3) Employee Separation Benefits	City of Rialto	Cover long-term employee separation benefits	RPTTF	\$ 575,000.00								
4) Rialto Airport / Renaissance Rialto	Epic Land Solutions Inc.	Contract Services - Relocation Services	RPTTF	\$ 638,612.88								
5) Acosta Participation Agreement	Fernando Acosta	Contract Services	RPTTF	\$ 312,000.00								
6) Highland Channel ***	City of Rialto	Improvement to flood control	RPTTF	\$ 8,266,488.00								
7) Riverside/I-10 Interchange Phase II***	City of Rialto	Cooperation Agreement**	RPTTF	\$ 40,000,000.00								
8) WDJL Property Street Improvements***	City of Rialto	Cooperation Agreement**	RPTTF	\$ 1,000,000.00								
9) Walnut Avenue Industrial Park***	City of Rialto	Cooperation Agreement**	RPTTF	\$ 1,000,000.00								
10) Ayala Industrial Park***	City of Rialto	Cooperation Agreement**	RPTTF	\$ 3,000,000.00								
11) Rails to Trails***	City of Rialto	Cooperation Agreement**	RPTTF	\$ 3,000,000.00								
12) Fire Station 205***	City of Rialto	Cooperation Agreement**	RPTTF	\$ 10,000,000.00								
13) Cactus Basin 4&5***	City of Rialto	Cooperation Agreement**	RPTTF	\$ 22,000,000.00								
14) Rialto Channel Airport***	City of Rialto	Cooperation Agreement**	RPTTF	\$ 10,200,000.00								
15) Airport Public Improvements***	City of Rialto	Cooperation Agreement**	RPTTF	\$ 123,300,000.00								
16) Airport Tenant Relocations***	City of Rialto	Cooperation Agreement**	RPTTF	\$ 16,000,000.00								
17) 2004 HELP Loan	CHFA	Housing Loan	RPTTF	\$ 1,300,000.00								
18) 2005 HELP Loan	CHFA	Housing Loan	RPTTF	\$ 1,300,000.00								
19) Regional Benefit Facilities/Industrial***	County of San Bernardino/To Be Determined	Obligation to construct flood control	RPTTF	\$ 10,049,338.00								
20) Regional Benefit Facilities/Gateway***	County of San Bernardino/To Be Determined	Obligation to construct flood control	RPTTF	\$ 5,025,000.00								
<b>Totals - This Page</b>				<b>\$ 256,966,438.88</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) report was approved by the Successor Agency on February 28, 2012, subject to further approval by the oversight board and audited by the County Auditor-Controller.  
 \*\* Approved on January 25, 2011 as a Cooperation Agreement between City and former Redevelopment Agency.  
 \*\*\*Item denied by Department of Finance per letter dated April 19, 2012. Successor Agency has submitted a request to reconsider item as enforceable obligation. Currently the Successor Agency is preparing supporting documents to be presented to the Department of Finance. Approval of the ROPS does not include approval of this item until further determination.

**Funding Sources:**  
 RPTTF Redevelopment Property Tax Trust Fund  
 PTI Property Tax Increment  
 LMH Low Mod Housing Fund  
 BP Bond Proceeds  
 ACA Administrative Cost Allowance  
 LSP Land Sale Proceeds  
 ROPS Recognized Obligation Payment Schedule

**Notes:**  
 1 - Option contract with no obligation to expend funds, but an obligation to convey property

Page 2 of 6



**Modified RECOGNIZED OBLIGATION PAYMENT SCHEDULE #1**

Per AB 26 - Section 34177

Project Name / Debt Obligation	Payee	Description	Funding Sources	Total Outstanding Debt or Obligation	Notes	Payable from Other Funding Sources						Total Paid
						Payments by month - Year 2012						
						Jan	Feb	Mar	Apr	May	Jun	
1) Employee Costs	City of Rialto/RDA Expenses	Salaries and Benefits	PTI/LMH		1	\$ 96,344.00						\$ 96,344.00
2) General Office Expenses	City of Rialto/RDA Expenses	Office Supplies	PTI/LMH		1	\$ 11,941.33						\$ 11,941.33
3) Utilities	City of Rialto/RDA Expenses	Gas, Electricity, Water, Sewer	PTI/LMH		1	\$ 3,758.33						\$ 3,758.33
4) Insurance	City of Rialto/RDA Expenses	Liability Insurance	PTI/LMH		1	\$ 1,036.67						\$ 1,036.67
5) IT/ Computer Related	City of Rialto/RDA Expenses	Computer IT Services on	PTI/LMH		1	\$ 2,155.00						\$ 2,155.00
6) Services and Supplies	City of Rialto/RDA Expenses	Miscellaneous	PTI/LMH		1	\$ 4,270.55						\$ 4,270.55
7) Equipment Expenses	City of Rialto/RDA Expenses	Lease and Maintenance Contract	PTI/LMH		1	\$ 1,333.33						\$ 1,333.33
8) Building Maintenance Expenses	City of Rialto/RDA Expenses	Building Maintenance	PTI/LMH		1	\$ 1,250.83						\$ 1,250.83
9) Vehicle Maintenance	City of Rialto/RDA Expenses	Fleet Maintenance	PTI/LMH		1	\$ 1,690.00						\$ 1,690.00
10) City Administrative Overhead	City of Rialto	RDA's share of City's overhead costs	PTI/LMH		1	\$ 107,507.50						\$ 107,507.50
11) Legal Expenses and Services	Stradling, Yocca, Carlson and Rauth	Agency Special Counsel	PTI/LMH		1	\$ 27,768.16						\$ 27,768.16
12) Marketing and Promotional Expenses	City of Rialto/RDA Expenses	Advertising	PTI/LMH		1							\$ -
13) Travel, Training, Memberships	City of Rialto/RDA Expenses	Training & Memberships	PTI/LMH		1	\$ 2,833.00						\$ 2,833.00
14) CRA Membership	CRA	Association membership annual fee	PTI		1	\$ 17,000.00						\$ 17,000.00
15) ICSC - Spring Event	ICSC/Convention Center Vendor/Hotel	ICSC Spring Retail Trade Show - Las Vegas	PTI/General Fund		1	\$ 10,000.00		\$ 2,000.00	\$ 3,000.00	\$ 5,000.00		\$ 20,000.00
16) General Advocacy Services	David Turch & Associates	Contract Services - Lobbyist	PTI		1	\$ 9,166.00						\$ 9,166.00
17)					3							\$ -
18)												
19) Prologis Properties	Prologis	Land Acquisition Loan	Land Sales	\$ 6,620,637.00								
20) 14801/2 N. Linden Relocation	J & R Upholstery	Relocation of tenant at airport	PTI	\$ 10,803.66		\$ 10,803.66						\$ 10,803.66
21) Brownfield Project	Converse	Consulting services	Grant Funds	\$ 199,125.00	2	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 60,000.00
22) EPA Brownfield Grant	U.S. EPA	2 Grants received for Brownfield	Grant Funds	\$ 600,000.00								
23) CallHome Home Program	State of California HCD	Grant received for housing programs	Grant Funds	\$ 1,000,000.00	2				\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 300,000.00
24) Ground Sub-Lease - Enertech Site	Enertech	Lease Payments under Ground Lease	Lease Payments	\$ 3,800,000.00	4	\$ 8,017.00	\$ 8,017.00	\$ 8,017.00	\$ 8,017.00	\$ 8,017.00	\$ 8,017.00	\$ 48,102.00
25) Rialto Channel to Cameron**	City of Rialto	Cooperation Agreement*	Drainage Fund	\$ 4,400,000.00								
26)												
27) Amended & Restated COS	Lewis Hillwood Rialto LLC	Deed of Trust	LSP from Area B/C/D	\$ 12,300,000.00								
28) Airport Purchase & Sale Agreement	City of Rialto	Minimum Land Payment to City	LSP from Area B/C/D	\$ 28,000,000.00								
29) Airport City/SBIAA & FAA Escrow Agt	SBIAA	Land Release Payment	LSP from Area B/C/D	\$ 49,500,000.00								
<b>Totals - This Page</b>				<b>\$ 104,430,565.66</b>		<b>\$ 326,875.36</b>	<b>\$ 18,017.00</b>	<b>\$ 20,017.00</b>	<b>\$ 121,017.00</b>	<b>\$ 123,017.00</b>	<b>\$ 118,017.00</b>	<b>\$ 728,960.36</b>

\*The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) report was approved by the Successor Agency on February 28, 2012, subject to further approval by the oversight board and audited by the County Auditor-Controller.

\*\*Item denied by Department of Finance per letter dated April 19, 2012. Successor Agency has submitted a request to reconsider item as enforceable obligation. Currently the Successor Agency is preparing supporting documents to be presented to the Department of Finance. Approval of the ROPS does not include approval of this item until further determination.

**Funding Sources:** RPTTF Redevelopment Property Tax Trust Fund  
 PTI Property Tax Increment  
 LMH Low Mod Housing Fund  
 BP Bond Proceeds  
 ACA Administrative Cost Allowance  
 LSP Land Sale Proceeds  
 ROPS Recognized Obligation Payment Schedule

**Notes:**

- 1 - Effective 2-1-12, no longer an obligation.
- 2 - Total due for fiscal year and monthly costs are estimates. Services required and payments made may extend to future fiscal years.
- 3 - Administrative Allowance obligation subject to 3% or 5% of funds requested from ROPS.
- 4 - Payment amount is an estimate.



**Modified RECOGNIZED OBLIGATION PAYMENT SCHEDULE #1**

Per AB 26 - Section 34177

Form D - Current Obligation Payments made from Bond Proceeds

Project Name / Debt Obligation	Payee	Description	Funding Source	Total Outstanding Debt or Obligation	Notes	Payable from Bond Proceeds						
						Payments by month - Year 2012						
						Jan	Feb	Mar	Apr	May	Jun	Total Paid
1) 2005 Series A TAB's	Union Bank/Trustee	Remaining Balance - Bonds	BP	\$ 1,832,145.96								
2) 2008 Series A TAB's	Union Bank/Trustee	Remaining Balance - Bonds	BP	\$ 8,545,993.37								
3) 2008 Series B TAB's	Union Bank/Trustee	Remaining Balance - Housing Bonds	BP	\$ 7,195,479.44								
4) 2008 Series C TAB's	Union Bank/Trustee	Remaining Balance - Bonds	BP	\$ 157,673.00								
5)												
6) Various Projects	Keyser Marston Assoc. Inc	Analysis	PTI/RPTTF/BP	\$ 50,000.00	1	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 15,000.00
7) Various projects	Overland, Pacific & Cutler Inc	Purchase and Relocation Services	PTI/RPTTF/BP	\$ 38,815.00	1	\$ 6,469.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 36,469.00
8) Riverside/I-10 Interchange**	City of Rialto	Street improvement	BP - 2005/08 A	\$ 16,235,292.00	1	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 12,000,000.00
9) Fire Station 202 Relocation	City of Rialto	New fire station	BP - 2005/08 A	\$ 1,734,111.00	1	\$ 206,000.00	\$ 206,000.00	\$ 206,000.00	\$ 206,000.00	\$ 400,000.00	\$ 500,000.00	\$ 1,724,000.00
10) Downtown Alley Improvements	City of Rialto	Alley improvement	BP - 2008 A	\$ 987,164.95								\$ -
11) Rialto Channel Crossings	SB County Flood	Improvement to flood control	BP - 2008 A	\$ 1,800,000.00								\$ -
12) Cactus Basin #3**	SB County Flood	Improvement to flood control	BP - 2008 A	\$ 2,200,000.00								\$ -
13) Fergusson Park	Robert Clapper Construction	City park improvement construction	BP - 2008 A	\$ 1,543,617.00	1	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 1,500,000.00
14) Ferguson Park	RHA Lands, Arch Planner, Inc	City park improvement design	BP - 2008 A	\$ 95,467.95	1	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 20,000.00	\$ 15,467.95	\$ 95,467.95
15) Pepper Avenue Extension **	City of Rialto/SanBag	New street construction	BP - 2005/08 A	\$ 12,927,195.02	1	\$ -	\$ -	\$ 2,154,532.00	\$ 2,154,532.00	\$ 2,154,532.00	\$ 2,154,532.00	\$ 8,618,128.00
16) 521 N. Rialto Lease	DiGiovanni Family Trust	project	BP - 2008 A & C	\$ 147,225.00	1	\$ 3,375.00	\$ 3,375.00	\$ 3,375.00	\$ 3,375.00	\$ 3,375.00	\$ 3,450.00	\$ 20,325.00
17) Pepper Avenue Extension Project	AEI-CASC	Professional Engineering Services	BP - 2008 A & C	\$ 55,998.00	1	\$ -	\$ -	\$ 9,333.00	\$ 9,333.00	\$ 9,333.00	\$ 9,333.00	\$ 37,332.00
18) Pepper Avenue and Citywide HCP	Atkins North America	Contract Services - Environmental	BP - 2008 A	\$ 41,813.58	1	\$ -	\$ -	\$ 2,919.00	\$ 2,919.00	\$ 2,919.00	\$ 2,919.00	\$ 11,676.00
19) Downtown Rehabilitation	Willdan Associates	Contract Services - Project Management	BP	\$ 47,360.60	3	\$ 3,128.00						\$ 3,128.00
20) Panattoni-Linden & Baseline	Linden Baseline LLC	Infrastructure Reimbursement Agreement	BP - 2005 A	\$ 320,000.00								\$ -
21) Panattoni-Baseline & Locust	Baseline Locust LLC	Infrastructure Reimbursement Agreement	BP - 2005 A	\$ 1,800,000.00								\$ -
22) Wal-Mart Supercenter DA	WalMart	Infrastructure Reimbursement Agreement	BP - 2005 A	\$ 1,042,000.00								\$ -
23) Metrolink Expansion Project	City of Rialto	Relocation Records to 429 W. Rialto	BP - 2008 A	\$ 592,467.00								\$ -
24) Metrolink Parking Expansion	City of Rialto	Cooperation Agreement - Jan. 2012	BP - 2008 A	***								\$ -
25)												
26) West Jackson Phase I (8 Units)**	SO CAL Housing Resources & Dev	Affordable Housing Project	BP - LMH	\$ 634,000.00	1			\$ 105,666.66	\$ 105,666.66	\$ 105,666.66	\$ 105,666.70	\$ 422,666.68
27) West Jackson Phase II (32 units)**	SO CAL Housing Resources & Dev	Affordable Housing Project	BP - LMH	\$ 5,238,000.00	1			\$ 873,000.00	\$ 873,000.00	\$ 873,000.00	\$ 873,000.00	\$ 3,492,000.00
28) TELACU II Senior Housing	TELACU Development Corp	Affordable Housing Project	BP - LMH	\$ 181,817.00	2			\$ 40,000.00				\$ 40,000.00
29) TELACU III - Senior Housing	TELACU Development Corp	Affordable Housing Project	BP - LMH	\$ 264,000.00	1			\$ 44,000.00	\$ 44,000.00	\$ 44,000.00	\$ 44,000.00	\$ 176,000.00
30) Crossroads Mixed-Use Housing**	KDF Communities	Affordable Housing Project	BP - LMH	\$ 7,175,328.44								\$ -
31) Crossroads Mixed-Use Housing	Rialto Housing Authority	Replacement obligation	BP - LMH		4							\$ -
<b>Totals - This Page</b>				\$ 161,581,362.23		\$ 2,486,472.00	\$ 2,482,875.00	\$ 5,712,325.66	\$ 5,672,325.66	\$ 5,871,325.66	\$ 5,966,868.65	\$ 28,192,192.63
<p>*The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) report was approved by the Successor Agency on February 28, 2012, subject to further approval by the oversight board and audited by the County Auditor-Controller.                  **Item denied by Department of Finance per letter dated April 19, 2012. Successor Agency has submitted a request to reconsider item as enforceable obligation. Currently awaiting decision. Approval of the ROPS does not include approval of this item until further determination.                  ***Removed from the Recognized Obligation Payment Scheduled, per Department of Finance letter dated April 19, 2012</p>												
<p><b>Funding Sources:</b> RPTTF Redevelopment Property Tax Trust Fund                  PTI Property Tax Increment                  LMH Low Mod Housing Fund                  BP Bond Proceeds                  ACA Administrative Cost Allowance                  LSP Land Sale Proceeds                  ROPS Recognized Obligation Payment Schedule</p>												
<p><b>Notes:</b>                  1 - Total due for fiscal year and monthly costs are estimates. Services required and payments made may extend to future fiscal years.                  2 - Payment amount is an estimate                  3 - Effective 2-1-12, no longer an obligation                  4 - The obligation is not currently required, but may be required at a later date.</p>												

**Modified RECOGNIZED OBLIGATION PAYMENT SCHEDULE #1**  
 Per AB 26 - Section 34177

Project Name / Debt Obligation	Payee	Description	Funding Sources	Total Outstanding Debt or Obligation	Notes	Paid from RPTTF by the County Auditor-Controller							
						Payments by month - Year 2012							Total Paid
						Jan	Feb	Mar	Apr	May	Jun		
1) Successor Agency Support Services	Rialto Successor Agency	Staff Cost	RPTTF		1		33,534.80	33,534.80	33,534.80	33,534.80	33,534.80	\$ -	167,674.00
2) Successor Agency Support Services	Rialto Successor Agency	Administrative Cost	RPTTF		1		6,860.00	6,860.00	6,860.00	6,860.00	6,860.00	\$ -	34,300.00
3) Successor Agency Support Services	Rialto Successor Agency	Legal Services	RPTTF		1		24,025.00	24,025.00	24,025.00	24,025.00	24,023.00	\$ -	120,123.00
4) Successor Agency Support Services	Rialto Successor Agency	Consultant Services	RPTTF		1		4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	\$ -	21,000.00
5)												\$ -	
6) Successor Agency Support Services	City of Rialto	Other City Support Services	GF		2							\$ -	
7)												\$ -	
8)												\$ -	
9)												\$ -	
10)												\$ -	
11)												\$ -	
12)												\$ -	
13)												\$ -	
14)												\$ -	
15)												\$ -	
16)												\$ -	
17)												\$ -	
18)												\$ -	
19)												\$ -	
20)												\$ -	
21)												\$ -	
22)												\$ -	
23)												\$ -	
24)												\$ -	
25)												\$ -	
26)												\$ -	
27)												\$ -	
<b>Totals - Administrative Allowance</b>				\$ -		\$ -	\$ 68,619.80	\$ 68,619.80	\$ 68,619.80	\$ 68,619.80	\$ 68,617.80	\$ -	\$ 343,097.00

\*The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) report was approved by the Successor Agency on February 28, 2012, subject to further approval by the oversight board and audited by the County Auditor-Controller.

**Funding Sources:**  
 RPTTF Redevelopment Property Tax Trust Fund  
 GF City General Fund  
 ROPS Recognized Obligation Payment Schedule

**Notes:**  
 1- Payment amount is an estimate  
 2- Total support service amount is \$63,537. If savings in Administrative Allowance, funds may be used to reimburse General Fund

**Modified RECOGNIZED OBLIGATION PAYMENT SCHEDULE #1**  
 Per AB 26 - Section 34177

January 0, 1900

Project Name / Debt Obligation	Payee	Description	Funding Sources	Total Outstanding Debt or Obligation	Paid from RPTTF by the County Auditor-Controller**							
					Payments by month - Year 2012							Total Paid
					Jan	Feb	Mar	Apr	May	Jun		
1) Pass Through Payment	County FCD	Payments per former CRL 33401	RPTTF	\$ 7,571,000.00							\$ -	
2) Pass Through Payment	County General Fund	Payments per former CRL 33401	RPTTF	\$ 17,052,030.00							\$ -	
3) Pass Through Payment	County Library	Payments per former CRL 33401	RPTTF	\$ 3,617,000.00							\$ -	
4) Pass Through Payment	Colton Unified SD	Payments per former CRL 33401	RPTTF	\$ 12,578,000.00							\$ -	
5) Pass Through Payment	IEWRCD	Payments per former CRL 33401	RPTTF	\$ 56,000.00							\$ -	
6) Pass Through Payment	SB Comm College Dst	Payments per former CRL 33401	RPTTF	\$ 2,344,000.00							\$ -	
7) Pass Through Payment	SB Supt of Schools	Payments per former CRL 33401	RPTTF	\$ 346,000.00							\$ -	
8) Pass Through Payment	SBV MWD	Payments per former CRL 33401	RPTTF	\$ 32,247,072.00							\$ -	
9) Pass Through Payment	West Valley WD	Payments per former CRL 33401	RPTTF	\$ 4,900,000.00							\$ -	
10) Pass Through Payment	RUSD	Payments per former CRL 33401	RPTTF	\$ 3,022,000.00							\$ -	
11) Pass Through Payment	SB Comm College Dst	Payments per former CRL 33676	RPTTF	\$ 2,170,000.00							\$ -	
12) Pass Through Payment	County FCD	Payments per CRL 33607.5/33607.7	RPTTF	\$ 3,182,000.00							\$ -	
13) Pass Through Payment	County General Fund	Payments per CRL 33607.5/33607.7	RPTTF	\$ 16,798,000.00							\$ -	
14) Pass Through Payment	County Library	Payments per CRL 33607.5/33607.7	RPTTF	\$ 1,628,000.00							\$ -	
15) Pass Through Payment	CUSD	Payments per CRL 33607.5/33607.7	RPTTF	\$ 15,651,000.00							\$ -	
16) Pass Through Payment	City of Rialto	Payments per CRL 33607.5/33607.7	RPTTF	\$ 17,898,000.00							\$ -	
17) Pass Through Payment	IEWRCD	Payments per CRL 33607.5/33607.7	RPTTF	\$ 235,600.00							\$ -	
18) Pass Through Payment	SB Comm College Dst	Payments per CRL 33607.5/33607.7	RPTTF	\$ 6,279,000.00							\$ -	
19) Pass Through Payment	SB Supt of Schools	Payments per CRL 33607.5/33607.7	RPTTF	\$ 1,241,000.00							\$ -	
20) Pass Through Payment	SBV MWD	Payments per CRL 33607.5/33607.7	RPTTF	\$ 2,693,000.00							\$ -	
21) Pass Through Payment	West Valley WD	Payments per CRL 33607.5/33607.7	RPTTF	\$ 1,411,000.00							\$ -	
22) Pass Through Payment	IEUA	Payments per CRL 33607.5/33607.7	RPTTF	\$ 1,020,000.00							\$ -	
23) Pass Through Payment	Chaffey College	Payments per CRL 33607.5/33607.7	RPTTF	\$ 433,000.00							\$ -	
24) Pass Through Payment	FUSD	Payments per CRL 33607.5/33607.7	RPTTF	\$ 2,804,000.00							\$ -	
25) Pass Through Payment	RUSD	Payments per CRL 33607.5/33607.7	RPTTF	\$ 23,554,000.00							\$ -	
26)											\$ -	
27) <b>20% Low Mod Tax Increment***</b>	<b>City of Rialto/Housing Author</b>	<b>Compliance with law of 20% TI for low-mo</b>	<b>RPTTF</b>	<b>****</b>							\$ -	
<b>Totals - Pass-Throughs</b>				<b>\$ 180,730,702.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$0</b>	

\*The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) report was approved by the Successor Agency on February 28, 2012, subject to further approval by the oversight board and audited by the County Auditor-Controller.  
 \*\* County Auditor-Controller responsible to pay pass through payments to the taxing agencies. Total amounts not included in the ROPS.  
 \*\*\*Subject to compliance with California Redevelopment Law, if required.  
 \*\*\*\*Removed from the Recognized Obligation Payment Scheduled, per Department of Finance letter dated April 19, 2012

**Funding Sources:**  
 RPTTF Redevelopment Property Tax Trust Fund  
 PTI Property Tax Increment  
 LMH Low Mod Housing Fund  
 BP Bond Proceeds  
 ACA Administrative Cost Allowance  
 LSP Land Sale Proceeds  
 ROPS Recognized Obligation Payment Schedule

**Recognized Obligation Payment Schedule (ROPS) # 2\***

For Period: July 1, 2012 to December 31, 2012

Name of Successor Agency:

City of Rialto, as Successor Agency to the Redevelopment Agency of the City of Rialto

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
<b>Outstanding Debt or Obligation</b>	\$ 831,410,131.25	\$ 29,537,091.16
	<b>Total Due for Six Month Period</b>	
<b>Outstanding Debt or Obligation</b>	\$ 18,145,563.09	
Available Revenues other than anticipated funding from RPTTF - Bonds	\$ 10,839,866.62	
Available Revenues other than anticipated funding from RPTTF - Non-Bonds	\$ 117,664.50	
Enforceable Obligations paid with RPTTF - Future Payments	\$ -	
Enforceable Obligations paid with RPTTF - Current Payments	\$ 6,978,713.97	
Administrative Cost paid with RPTTF	\$ 209,318.00	
<b>Administrative Allowance</b> (greater of 3% of anticipated Funding from RPTTF or 250,000 per fiscal year. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)		
	\$ 209,361.42	

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(l) of the Health and Safety code,  
I hereby certify that the above is a true and accurate Recognized  
Enforceable Payment Schedule for the above named agency.

<b>BOB PAGE , CHAIR</b>	
Name	Title
<i>Bob Page</i>	5/3/12
Signature	Date

\* Certain items as listed in this ROPS#2 have been denied by Department of Finance per a letter dated April 19, 2012. The Successor Agency Oversight Board has submitted a request to the Department of Finance to reconsider the items as enforceable obligations. Currently awaiting decision on certain items and preparing supporting documents for other items. Approval of ROPS2 does not include approval of the subject items until further determination.



**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) #2**  
 Per AB 26 - Section 34177(\*)

Project Name / Debt Obligation	Payee	Description	Funding Sources**	Year Obligation Ends	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Notes	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)							
								Payments by month - Year 2012							Total Paid
								Jul	Aug	Sep	Oct	Nov	Dec		
1) 2003 Series A TAB's	Union Bank/Trustee	Public Improvement Bonds	RPTTF	2027	\$ 34,909,362.50	\$ 2,183,512.50	1				1,103,287.50				\$ 1,103,287.50
2) 2005 Series A TAB's	Union Bank/Trustee	Public Improvement Bonds	RPTTF	2035	\$ 44,192,005.50	\$ 1,291,645.00	1				647,302.50				\$ 647,302.50
3) 2005 Series B TAB's	Union Bank/Trustee	Housing Bonds	RPTTF	2032	\$ 16,119,863.75	\$ 774,932.00	1				533,243.75				\$ 533,243.75
4) 2005 Series C TAB's	Union Bank/Trustee	Public Improvement Bonds	RPTTF	2035	\$ 30,754,353.00	\$ 1,306,845.00	1				658,195.00				\$ 658,195.00
5) 2008 Series A TAB's	Union Bank/Trustee	Public Improvement Bonds	RPTTF	2037	\$ 84,345,743.50	\$ 2,747,017.50	1				1,378,428.75				\$ 1,378,428.75
6) 2008 Series B TAB's	Union Bank/Trustee	Housing Bonds	RPTTF	2037	\$ 64,123,437.50	\$ 2,341,437.50	1				1,176,437.50				\$ 1,176,437.50
7) 2008 Series C TAB's	Union Bank/Trustee	Public Improvement Bonds	RPTTF	2037	\$ 47,353,375.00	\$ 1,838,500.00	1				924,500.00				\$ 924,500.00
8) 2007 COP Reimbursement Agt****	City of Rialto	Public Improvement Bonds	RPTTF	2022	\$ 1,869,274.97	\$ 187,698.49		\$ 30,200.00							\$ 30,200.00
9) Walmart DDA	Hubbs	Sales Tax Rebate Agreement	RPTTF	2013	\$ 2,426,514.34	\$ 250,000.00			\$ 62,500.00				\$ 62,500.00		\$ 125,000.00
10) Enterprise OPA	Enterprise	Sales Tax Rebate Agreement	RPTTF	2016	\$ 471,936.83	\$ 108,000.00			\$ 27,000.00				\$ 27,000.00		\$ 54,000.00
11) Pusan Pipe OPA	Pusan Pipe	Sales Tax Rebate Agreement	RPTTF	Unknown	\$ 108,176.48	\$ 35,487.00									\$ -
12) Riverside Easton Retail Project	Sprint/Nextel / Overland Pacific and Cutler	Relocation of Cell Towers	RPTTF	Unknown	\$ 319,600.00	\$ 319,600.00	2	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 36,000.00
13) Oversight Board Support Services	Oversight Board	For Legal and other needed services	RPTTF	Admin	\$ 480,000.00	\$ 120,000.00	4	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 60,000.00
14) Monitor Housing Agreements	Rialto Housing Authority/Keyser Marston Association	Affordable Housing Agreement Monitor	RPTTF	Admin	\$ 360,000.00	\$ 40,000.00	4	\$ 3,333.00	\$ 3,333.00	\$ 3,333.00	\$ 3,333.00	\$ 3,333.00	\$ 3,333.00	\$ 3,333.00	\$ 20,000.00
15) Legal Services	Siradling Yocca, Carlson & Rauth	Legal services for on-going projects	RPTTF	Admin	\$ 491,200.00	\$ 120,000.00	4	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 60,000.00
16) Project Management	Rialto Housing Authority	For on-going affordable housing projects	RPTTF	Admin	\$ 276,480.00	\$ 69,120.00	4	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 5,760.00	\$ 34,560.00
17) Project Management	City of Rialto	For on-going projects	RPTTF	Admin	\$ 253,900.80	\$ 63,474.00	4	\$ 5,289.60	\$ 5,289.60	\$ 5,289.60	\$ 5,289.60	\$ 5,289.60	\$ 5,289.60	\$ 5,289.60	\$ 31,737.60
18) Lease of copy machine	Konica Minolta	Lease for copy machine	RPTTF	2013	\$ 3,990.00	\$ 3,193.00		\$ 266.02	\$ 266.02	\$ 266.02	\$ 266.02	\$ 266.02	\$ 266.02	\$ 266.02	\$ 1,596.12
19) Property Maintenance	Successor Agency	Repairs and maintenance of RDA properties	RPTTF	Admin	\$ 72,000.00	\$ 18,000.00	4	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 9,000.00
20) Weed Abatement	Kinco Weed Abatement	Weed abatement of RDA vacant lots	RPTTF	Admin	\$ 40,000.00	\$ 8,000.00	4								\$ -
21) EPA Brownfield Grant	RDA Match Expenses	Agency 20% match for EPA Grant	RPTTF	2013	\$ 28,500.00	\$ 28,500.00	2	\$ 2,375.00	\$ 2,375.00	\$ 2,375.00	\$ 2,375.00	\$ 2,375.00	\$ 2,375.00	\$ 2,375.00	\$ 14,250.00
22) General Plan Update	Hogle-Ireland Inc.	Contract Services - Planning	RPTTF	2012	\$ 10,975.25	\$ 10,975.25		\$ 1,829.00	\$ 1,829.00	\$ 1,829.00	\$ 1,829.00	\$ 1,829.00	\$ 1,829.00	\$ 1,829.00	\$ 10,975.25
23) Bond Servicing	Wildan/Union Bank	Trustee Fees/Arbitrage Rebate Services	RPTTF	Admin	\$ 531,500.00	\$ 20,000.00	4	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,500.00	\$ 10,000.00
24)															\$ -
25) Asset Dissolution Activities*****	Various	Appraisal, marketing, title, misc., consultants	RPTTF	Admin	?	?		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 60,000.00
26)															\$ -
<b>Totals - This Page</b>						\$ 329,542,189.42	\$ 13,885,937.24		\$ 88,252.62	\$ 147,552.62	\$ 6,479,447.62	\$ 58,052.62	\$ 147,552.62	\$ 57,855.87	\$ 6,978,713.97
<b>Totals - Page 1 (RPTTF funding for current period of ROPS obligation payments)</b>						\$ 329,542,189.42	\$ 13,885,937.24		\$ 88,252.62	\$ 147,552.62	\$ 6,479,447.62	\$ 58,052.62	\$ 147,552.62	\$ 57,855.87	\$ 6,978,713.97
<b>Totals - Page 2 (RPTTF funding for future ROPS obligation payments)</b>						\$ 256,966,438.88	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Totals - Page 3 (Other funding sources for ROPS obligation payments)</b>						\$ 104,311,660.00	\$ 235,329.00		\$ 19,610.75	\$ 19,610.75	\$ 19,610.75	\$ 19,610.75	\$ 19,610.75	\$ 19,610.75	\$ 117,664.50
<b>Totals - Page 4 (Bond proceeds funding sources for ROPS obligation payments)</b>						\$ 140,589,842.95	\$ 15,415,824.92		\$ 2,101,240.55	\$ 2,047,043.55	\$ 2,365,976.87	\$ 1,442,043.55	\$ 1,442,043.55	\$ 1,442,118.55	\$ 10,839,866.62
<b>Totals - Page 5 (Administrative Allowance)</b>						\$ -	\$ -		\$ 33,310.00	\$ 33,310.00	\$ 33,310.00	\$ 33,310.00	\$ 33,310.00	\$ 42,768.00	\$ 209,318.00
<b>Grand total - All Pages</b>						\$ 831,410,131.25	\$ 29,537,091.16		\$ 2,242,413.92	\$ 2,247,516.92	\$ 8,897,745.24	\$ 1,553,016.22	\$ 1,642,516.92	\$ 1,562,353.17	\$ 18,145,563.09

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 4-15-2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by May 15, 2012.  
 \*\* All total due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency.

RPTTF - Redevelopment Property Tax Trust Fund  
 LSP - Land Sale Proceeds  
 BP - Bond Proceeds  
 ACA - Administrative Cost Allowance  
 Other - Reserves, rents, interest earning, etc

**Notes:**  
 1 - Actual bond payment funding is higher than shown on schedule due to additional funding request in previous ROPS to ensure sufficient funds from RPTTF to cover bond payments for September 2012. See below.  
 2 - Total due for fiscal year and monthly costs are estimates. Services required and payments made may extend to future fiscal years.  
 3 - Payment amount is an estimate.  
 4 - Subject to need for services. Monthly payment and total outstanding amounts are estimates.

2003 Series A TAB's	\$ 1,615,787.50
2005 Series A TAB's	\$ 738,902.50
2005 Series B TAB's	\$ 533,243.75
2005 Series C TAB's	\$ 658,195.00
2008 Series A TAB's	\$ 1,618,428.75
2008 Series B TAB's	\$ 1,176,437.50
2008 Series C TAB's	\$ 1,064,500.00

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) #2**

Per AB 26 - Section 34177(\*)

Project Name / Debt Obligation	Payee	Description	Funding Source**	Year Obligation Ends	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Notes	Future payment from the Redevelopment Property Tax Trust Fund (RPTTF)							
								Payments by month - Year 2012							
								Jul	Aug	Sep	Oct	Nov	Dec	Total Paid	
1) Area B/C/D COS	Lewis Hillwood Rialto LLC	Option Contract	RPTTF	Unknown			1								
2) Area A COS	Lewis Hillwood Rialto LLC	Option Contract	RPTTF	Unknown			1								
3) Employee Separation Benefits	City of Rialto	Cover long-term employee separation benefits	RPTTF	Long Term	\$ 575,000.00										
4) Rialto Airport / Renaissance Rialto	Epic Land Solutions Inc.	Contract Services - Relocation Services	RPTTF	Unknown	\$ 638,612.88										
5) Acosta Participation Agreement	Fernando Acosta	Contract Services	RPTTF	Unknown	\$ 312,000.00										
6) Highland Channel ****	City of Rialto	Improvement to flood control	RPTTF	Unknown	\$ 8,266,488.00										
7) Riverside/1-10 Interchange Phase II****	City of Rialto	Cooperation Agreement	RPTTF	Unknown	\$ 40,000,000.00										
8) WDJL Property Street Improvements****	City of Rialto	Cooperation Agreement	RPTTF	Unknown	\$ 1,000,000.00										
9) Walnut Avenue Industrial Park****	City of Rialto	Cooperation Agreement	RPTTF	Unknown	\$ 1,000,000.00										
10) Ayala Industrial Park****	City of Rialto	Cooperation Agreement	RPTTF	Unknown	\$ 3,000,000.00										
11) Rails to Trails****	City of Rialto	Cooperation Agreement	RPTTF	Unknown	\$ 3,000,000.00										
12) Fire Station 205****	City of Rialto	Cooperation Agreement	RPTTF	Unknown	\$ 10,000,000.00										
13) Cactus Basin 4&5****	City of Rialto	Cooperation Agreement	RPTTF	Unknown	\$ 22,000,000.00										
14) Rialto Channel Airport****	City of Rialto	Cooperation Agreement	RPTTF	Unknown	\$ 10,200,000.00										
15) Airport Public Improvements****	City of Rialto	Cooperation Agreement	RPTTF	Unknown	\$ 123,300,000.00										
16) Airport Tenant Relocations****	City of Rialto	Cooperation Agreement	RPTTF	Unknown	\$ 16,000,000.00										
17) 2004 HELP Loan	CHFA	Housing Loan	RPTTF	2014	\$ 1,300,000.00										
18) 2005 HELP Loan	CHFA	Housing Loan	RPTTF	2015	\$ 1,300,000.00										
19) Regional Benefit Facilities/Industrial****	County of San Bernardino/To Be Determined	Obligation to construct flood control	RPTTF	Unknown	\$ 10,049,338.00										
20) Regional Benefit Facilities/Gateway****	County of San Bernardino/To Be Determined	Obligation to construct flood control	RPTTF	Unknown	\$ 5,025,000.00										
<b>Totals - This Page</b>						\$ 256,966,438.88			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 4-15-2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by May 15, 2012.  
 \*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency:

- RPTTF - Redevelopment Property Tax Trust Fund
- LSP - Land Sale Proceeds
- BP - Bond Proceeds
- ACA - Administrative Cost Allowance
- Other - Reserves, rents, interest earning, etc

Notes:

- 1 - Option contract with no obligation to expend funds, but an obligation to convey property

\*\*\*\* Item denied by Department of Finance per letter dated April 19, 2012. Successor Agency has submitted a request to reconsider item as enforceable obligation. Currently preparing supporting documents to be submitted to the Department of Finance. Approval of the ROPS does not include approval of this item until further determination.

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) #2**  
Per AB 26 - Section 34177(\*)

Project Name / Debt Obligation	Payee	Description	Funding Sources***	Year Obligation Ends	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Notes	Payable from Other Funding Sources						Total Paid	
								Payments by month - Year 2012							
								Jul	Aug	Sep	Oct	Nov	Dec		
1)															\$ -
2)															\$ -
3)															\$ -
4)															\$ -
5)															\$ -
6)															\$ -
7)															\$ -
8)															\$ -
9)															\$ -
10)															\$ -
11)															\$ -
12)															\$ -
13)															\$ -
14)															\$ -
15)															\$ -
16)															\$ -
17)															\$ -
18)															\$ -
19) Prologis Properties****	Prologis	Land Acquisition Loan	Land Sales	Unknown	\$ 6,620,637.00										\$ -
20)															\$ -
21) Brownfield Project	Converse	Consulting services	Grant Funds	2013	\$ 139,125.00	\$ 139,125.00	2	\$ 11,593.75	\$ 11,593.75	\$ 11,593.75	\$ 11,593.75	\$ 11,593.75	\$ 11,593.75	\$ 11,593.75	\$ 60,562.50
22) EPA Brownfield Grant	U.S. EPA	2 Grants received for Brownfield	Grant Funds	Unknown	\$ 600,000.00										\$ -
23) CalHome Home Program	State of California HCD	Grant received for housing programs	Grant Funds	2013	\$ 1,000,000.00										\$ -
24) Ground Sub-Lease - Enertech Site	Enertech	Lease Payments under Ground Lease	Lease Payments	Long Term	\$ 3,751,898.00	\$ 98,204.00	3	\$ 8,017.00	\$ 8,017.00	\$ 8,017.00	\$ 8,017.00	\$ -	\$ -	\$ -	\$ -
25) Rialto Channel to Cameron****	City of Rialto	Cooperation Agreement*	Drainage Fund	Unknown	\$ 4,400,000.00								\$ 8,017.00	\$ 8,017.00	\$ 48,102.00
26)															\$ -
27) Amended & Restated COS	Lewis Hillwood Rialto LLC	Deed of Trust	LSP from Area B/C/D	Unknown	\$ 12,300,000.00										\$ -
28) Airport Purchase & Sale Agreement	City of Rialto	Minimum Land Payment to City	LSP from Area B/C/D	Unknown	\$ 26,000,000.00										\$ -
29) Airport City/SBIAA & FAA Escrow Agt	SBIAA	Land Release Payment	LSP from Area B/C/D	Unknown	\$ 49,500,000.00										\$ -
<b>Totals - This Page</b>						\$ 104,311,660.00	\$ 235,329.00		\$ 19,610.75	\$ 19,610.75	\$ 19,610.75	\$ 19,610.75	\$ 19,610.75	\$ 19,610.75	\$ 117,664.50

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 4-15-2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by May 15, 2012.

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency:

RPTTF - Redevelopment Property Tax Trust Fund  
LSP - Land Sale Proceeds  
BP - Bond Proceeds  
ACA - Administrative Cost Allowance  
Other - Reserves, rents, interest earning, etc

**Notes:**

- 1 - Blank
- 2 - Total due for fiscal year and monthly costs are estimates. Services required and payments made may extend to future fiscal years.
- 3 - Payment amount is an estimate.
- 4 - Subject to need for services. Monthly payment and total outstanding amounts are estimates.

\*\*\*\* Item denied by Department of Finance per letter dated April 19, 2012. Successor Agency has submitted a request to reconsider item as enforceable obligation. Currently preparing supporting documents to be submitted to the Department of Finance. Approval of the ROPS does not include approval of this item until further determination.

\*\*\*\*\* On April 19, 2012, the Oversight Board approved to convey the property and void the obligation of \$6,620,637 with Prologis. The obligation will remain on the ROPS until the agreement is formerly executed.

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) #2**  
 Per AB 26 - Section 34177(\*)

**Form D - Current Obligation Payments made from Bond Proceeds**

Project Name / Debt Obligation	Payee	Description	Funding Source***	Year Obligation Ends	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Notes	Payable from Bond Proceeds Payments by month - Year 2012							
								Jul	Aug	Sep	Oct	Nov	Dec	Total Paid	
1) 2005 Series A TAB's	Union Bank/Trustee	Remaining Balance - Bonds	BP		\$ 1,832,145.06										
2) 2008 Series A TAB's	Union Bank/Trustee	Remaining Balance - Bonds	BP		\$ 8,545,993.37										
3) 2008 Series B TAB's	Union Bank/Trustee	Remaining Balance - Housing Bonds	BP		\$ 7,195,478.44										
4) 2008 Series C TAB's	Union Bank/Trustee	Remaining Balance - Bonds	BP		\$ 157,673.00										
5)															
6) Various Projects	Keyser Marston Assoc. Inc	Contract Services - Financial Feasibility Analysis	RPTTF/BP	Admin	\$ 35,000.00		2	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 15,000.00
7) Various projects	Overland, Pacific & Cutler Inc	Purchase and Relocation Services	RPTTF/BP	Admin	\$ 2,348.00		2	\$ 6,469.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 36,469.00
8) Riverside/I-10 Interchange****	City of Rialto	Street Improvement	BP - 2005/08 A	2012	\$ 12,000,000.00	\$ 4,235,292.00		\$ 705,882.00	\$ 705,882.00	\$ 705,882.00	\$ 705,882.00	\$ 705,882.00	\$ 705,882.00	\$ 705,882.00	\$ 4,235,292.00
9) Fire Station 202 Relocation	City of Rialto	New fire station	BP - 2005/08 A	2012	\$ 1,724,000.00	\$ 10,111.00		\$ 10,111.00							\$ 10,111.00
10)															\$ -
11) Rialto Channel Crossings	SB County Flood	Improvement to flood control	BP - 2008 A	Unknown	\$ 1,800,000.00										\$ -
12) Cactus Basin #3****	SB County Flood	Improvement to flood control	BP - 2008 A	Unknown	\$ 2,200,000.00										\$ -
13) Fergusson Park	Robert Clapper Construction	City park improvement construction	BP - 2008 A	2012	\$ 1,500,000.00			\$ 43,617.00							\$ 43,617.00
14)															\$ -
15) Pepper Avenue Extension ****	City of Rialto/SanBag	New street construction	BP - 2005/08 A	2014	\$ 8,618,129.54	\$ 8,618,131.02	2	\$ 718,177.58	\$ 718,177.58	\$ 718,177.58	\$ 718,177.58	\$ 718,177.58	\$ 718,177.58	\$ 718,177.58	\$ 4,309,065.48
16) 521 N. Rialto Lease	DIGiovanni Family Trust	Part of Metrolink Expansion Project	BP - 2008 A & C	?	\$ 126,900.00	\$ 40,650.00		\$ 3,375.00	\$ 3,375.00	\$ 3,375.00	\$ 3,375.00	\$ 3,375.00	\$ 3,450.00	\$ 3,450.00	\$ 20,325.00
17) Pepper Avenue Extension Project	AEI-CASC	Professional Engineering Services	BP - 2008 A & C	2014	\$ 37,332.00	\$ 37,332.00	2	\$ 3,111.00	\$ 3,111.00	\$ 3,111.00	\$ 3,111.00	\$ 3,111.00	\$ 3,111.00	\$ 3,111.00	\$ 18,666.00
18) Pepper Avenue and Citywide HCP	Atkins North America	Contract Services - Environmental	BP - 2008 A	2014	\$ 23,825.76	\$ 35,975.58	2	\$ 2,997.97	\$ 2,997.97	\$ 2,997.97	\$ 2,997.97	\$ 2,997.97	\$ 2,997.97	\$ 2,997.97	\$ 17,987.82
19)															\$ -
20) Panattoni-Linden & Baseline	Linden Baseline LLC	Infrastructure Reimbursement Agreement	BP - 2005 A	Unknown	\$ 320,000.00										\$ -
21) Panattoni-Baseline & Locust	Baseline Locust LLC	Infrastructure Reimbursement Agreement	BP - 2005 A	Unknown	\$ 1,800,000.00										\$ -
22) Wal-Mart Supercenter DA	WalMart	Infrastructure Reimbursement Agreement	BP - 2005 A	Unknown	\$ 1,042,000.00										\$ -
23) Metrolink Expansion Project	City of Rialto	Relocation Records to 429 W. Rialto	BP - 2008 A	Unknown	\$ 305,000.00	\$ 305,000.00									\$ -
24)															\$ -
25)															\$ -
26) West Jackson Phase I (6 Units)****	SO CAL Housing Resources & Dev	Affordable Housing Project	BP - LMH	2013	\$ 422,666.68	\$ 211,333.32		\$ 50,000.00	\$ 50,000.00	\$ 111,333.32					\$ 211,333.32
27) West Jackson Phase II (32 units)****	SO CAL Housing Resources & Dev	Affordable Housing Project	BP - LMH	2013	\$ 3,482,000.00	\$ 1,746,000.00		\$ 500,000.00	\$ 500,000.00	\$ 746,000.00					\$ 1,746,000.00
28)					\$ -										\$ -
29) TELACU III - Senior Housing	TELACU Development Corp	Affordable Housing Project	BP - LMH	2013	\$ 176,000.00	\$ 176,000.00		\$ 55,000.00	\$ 55,000.00	\$ 66,000.00					\$ 176,000.00
30) Crossroads Mixed-Use Housing****	KDF Communities	Affordable Housing Project	BP - LMH	2013	\$ 7,175,328.44										\$ -
31) Crossroads Mixed-Use Housing	Rialto Housing Authority	Replacement obligation	BP - LMH	Unknown											\$ -
<b>Totals - This Page</b>						\$ 140,589,842.95	\$ 15,415,824.92		\$ 2,101,240.55	\$ 2,047,043.55	\$ 2,365,376.87	\$ 1,442,043.55	\$ 1,442,043.55	\$ 1,442,118.55	\$ 10,839,866.62

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 4-15-2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by May 15, 2012.

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency:

RPTTF - Redevelopment Property Tax Trust Fund  
 LSP - Land Sale Proceeds  
 BP - Bond Proceeds  
 ACA - Administrative Cost Allowance  
 Other - Reserves, rents, interest earning, etc

**Notes:**

- 1 - Amount readjusted from ROPS1 amount.
- 2 - Total due for fiscal year and monthly costs are estimates. Services required and payments made may extend to future fiscal years.
- 3 - Payment amount is an estimate.
- 4 - The obligation is not currently required, but may be at a later date.

\*\*\*\* Item denied by Department of Finance per letter dated April 19, 2012. Successor Agency has submitted a request to reconsider item as enforceable obligation. Currently awaiting decision. Approval of the ROPS does not include approval of this item until further determination.



**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) #2**  
 Per AB 26 - Section 34177(\*)

Project Name / Debt Obligation	Payee	Description	Funding Sources***	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Notes	Paid from RPTTF by the County Auditor-Controller						Total Paid
							Payments by month - Year 2012						
							Jul	Aug	Sep	Oct	Nov	Dec	
1) Successor Agency Support Services	Rialto Successor Agency	Staff Cost	RPTTF			3	24,063.00	24,063.00	24,063.00	24,063.00	24,063.00	24,063.00	\$ -
2) Successor Agency Support Services	Rialto Successor Agency	Administrative Cost	RPTTF			3	1,955.00	1,955.00	1,955.00	1,955.00	1,955.00	1,955.00	\$ 11,730.00
3) Successor Agency Support Services	Rialto Successor Agency	Legal Services	RPTTF			3	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	\$ 37,500.00
4) Successor Agency Support Services	Rialto Successor Agency	Consultant Services	RPTTF			3	1,042.00	1,042.00	1,042.00	1,042.00	1,042.00	10,500.00	\$ 15,710.00
5)													\$ -
6) Successor Agency Support Services	City of Rialto	Other City Support Services	GF			4							\$ -
7)													\$ -
8)													\$ -
9)													\$ -
10)													\$ -
11)													\$ -
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17)													\$ -
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19)													\$ -
20)													\$ -
21)													\$ -
22)													\$ -
23)													\$ -
24)													\$ -
25)													\$ -
26)													\$ -
27)													\$ -
<b>Totals - Administrative Allowance</b>				\$ -			\$ 33,310.00	\$ 33,310.00	\$ 33,310.00	\$ 33,310.00	\$ 33,310.00	\$ 42,768.00	\$ 209,318.00

\*The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 4-15-2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by May 15, 2012.

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency:

RPTTF - Redevelopment Property Tax Trust      ACA - Administrative Cost Allowance  
 LSP - Land Sale Proceeds                      Other - Reserves, rents, interest earning, etc  
 BP - Bond Proceeds                              GF - General Fund

**Notes:**  
 1 - Blank  
 2 - Total due for fiscal year and monthly costs are estimates. Services required and payments made may extend to future fiscal years.  
 3 - Payment amount is an estimate.  
 4 - For Successor Agency support services. If savings in Administrative Allowance, funds may be use dto reimburse General Fund

**ATTACHMENT "B"**

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DEPARTMENT OF  
**FINANCE**  
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR  
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

RECEIVED

MAR - 7 2012

March 2, 2012

FISCAL SERVICES  
ADMINISTRATION

Dear County Board of Supervisors, City Administrators, and  
Redevelopment Successor Agency Representatives:

The purpose of this letter is to provide information on some of the most important next steps required to implement Assembly Bill 26, First Extraordinary Session (ABX1 26, Chapter 5, Statutes of 2011), which dissolved redevelopment agencies (RDAs) effective February 1, 2012 and replaced them with successor agencies. According to our records, your city (or county) has chosen to act as the successor agency for your former RDA.

Before it was dissolved, your former RDA submitted to the Department of Finance (Finance) an Enforceable Obligation Payment Schedule (EOPS) which listed the various financial obligations that the RDA believed to be Enforceable Obligations, as that term is defined by ABX1 26. The EOPS should be extended until a Recognized Obligation Payment Schedule (ROPS) listing all enforceable obligations proposed for payment between January 1, 2012 and June 30, 2012 can be adopted and is valid.

Pursuant to the timeline in ABX1 26 as revised by the Supreme Court's order, the first ROPS must be approved in initial form by your successor agency's governing body no later than March 1, 2012. The ROPS must be approved by the oversight board in final form no later than April 15, 2012, and also must be submitted to Finance, the State Controller, and the county auditor-controller for review no later than the April 15, 2012. Beginning May 1, 2012, only those payments on an approved ROPS should be made for the period through June 30, 2012. The ROPS for the period July 1, through December 31, 2012 must be submitted to Finance and the county auditor as soon as possible but no later than May 11. This will leave 10 working days for our review and four working days for the county auditor-controller to prepare to make timely payments to successor agencies and taxing agencies on June 1, 2012, as required by ABX1 26. While Finance will make every effort to reach agreement with successor agencies on items to be included in the ROPS by those dates, additional time may be needed to review complex items. Thus we encourage agencies with complex issues to bring them to our attention as soon as possible.

In order to expedite our review of the ROPS, Finance auditors are currently reviewing the EOPS that has been submitted to identify any items which may require more information to assist our review. We request that your staff cooperate with requests for information. We anticipate that some items that we do not believe are enforceable obligations may be identified in this process and we will be providing you with notice of those so that they may be removed from the ROPS.

Finance staff will notify the staff contact for the successor agency within three days by e-mail if we are exercising our right to further review items in the ROPS. We will provide notice of which items we are reviewing within 10 days. After that notice and after May 1, no payment related to any such items should be made, even if they are on a previously adopted EOPS, until Finance agrees to the inclusion of the item on the ROPS.

While we hope that agreement can be reached on most items, there are likely to be some items included on the ROPS on which agreement cannot be reached by the time payments are to be made to successors and taxing agencies under the law. We believe that the fiduciary duty a successor agency owes to its undisputed creditors takes precedence over any right to dispute whether other items are enforceable obligations. We respect the rights of a successor agency to maintain a different position with regard to such items and recognize that litigation may be necessary to resolve some disputes. We will endeavor to minimize the cost of litigation by continuing to research and discuss any disputed items until it is clear that no mutually satisfactory resolution is possible. Once a payment date is reached, Finance views the undisputed items to be the ROPS for purposes of distribution of funds from the Redevelopment Property Tax Trust Fund for that six month period and will be providing notice to the county auditor of those items no later than five working days prior to a statutory distribution date. If resolution of the dispute later determines that an item is an enforceable obligation, it may be placed on the next ROPS.

The review of the ROPS by the public and the oversight board is very important and adequate time should be allowed for this to take place. Given these compressed timeframes, we believe it would be prudent for your oversight board to review, approve, and submit the ROPS to Finance at the earliest possible time. If we object to any items on your ROPS, this early submittal will help ensure any problems are resolved before May 1 and May 11 deadlines, thereby enabling your Successor Agency to make debt payments timely and to receive funding for all enforceable obligations.

Your successor agency's oversight board has seven members, of whom one is appointed by the city, two by the county board of supervisors, one by the county superintendent of education, one by the California Community Colleges, one by the largest special district by property tax share with territory in the former RDA's project areas, and one to represent the employees of the former RDA. Since the ROPS must be approved by the oversight board by April 15, and since the ROPS cannot be submitted to Finance until it has been approved by the oversight board, we encourage you to work expeditiously with the various appointing powers to ensure they name their oversight board members as soon as possible.

Finally, ABX1 26 states that the initial ROPS must be submitted to the auditor performing the agreed upon procedures audit for review. While it would be preferred that this take place in conjunction with the completion of the agreed upon procedures audit, this review of the initial ROPS is a separate action that should not be delayed pending completion of the audit.

County auditor-controllers have until July 1, 2012 to arrange for completion of these audits pursuant to the California Supreme Court's revised ABX1 26 timeline, and we understand many auditors may require even longer to actually complete the audits. Consequently, if the auditor designated by your county auditor-controller states the review of the ROPS cannot be completed by April 15, we advise you to submit your ROPS to Finance without waiting for the auditor's review. If, however, your auditor states they will complete the ROPS review by April 15, we advise you to not submit the ROPS until the review is complete. We advise you to consult your county auditor-controller on the timing of the agreed-upon-procedures audit.

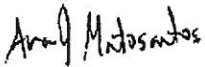
We would appreciate receiving a copy of the auditor's report when it is completed. This will help expedite review of your ROPS.

The Department of Finance website contains substantial additional information about ABX1 26 that is updated as we develop responses to questions and work with other parties. This can be found at the following link:

[http://www.dof.ca.gov/assembly\\_bills\\_26-27/view.php](http://www.dof.ca.gov/assembly_bills_26-27/view.php)

Thank you for your attention to this matter. Please direct any questions to Finance staff at (916) 445-1546, or send an e-mail to: [redvelopment\\_administration@dof.ca.gov](mailto:redvelopment_administration@dof.ca.gov).

Sincerely,



ANA J. MATOSANTOS  
Director

**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: **RIALTO (SAN BERNARDINO)**

**Outstanding Debt or Obligation**

	Total
Total Outstanding Debt or Obligation	\$382,515,224

**Current Period Outstanding Debt or Obligation**

	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	\$50,718,540
B Enforceable Obligations Funded with RPTTF	\$5,519,502
C Administrative Allowance Funded with RPTTF	\$165,585
D Total RPTTF Funded (B + C = D)	\$5,685,087
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$56,403,627
F Enter Total Six-Month Anticipated RPTTF Funding	\$8,700,000
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$3,014,913

**Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments** (as required in HSC section 34186 (a))

H Enter Estimated Obligations Funded by RPTTF ( <i>lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed</i> )	\$6,824,388
I Enter Actual Obligations Paid with RPTTF	\$6,586,024
J Enter Actual Administrative Expenses Paid with RPTTF	\$198,768
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$39,596
L Adjustment to RPTTF (D - K = L)	\$5,645,491

Certification of Oversight Board Chairman:

Pursuant to Section 34177(m) of the Health and Safety code,

I hereby certify that the above is a true and accurate Recognized

Obligation Payment Schedule for the above named agency.

Deborah Robertson

Chair

Name

Title

/s/

Signature

2/21/2013

Date





RIALTO (SAN BERNARDINO)  
 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A)  
 July 1, 2013 through December 31, 2013

Oversight Board Approval Date: 2-21-2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2013-14	Funding Source						
									Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total	
62	Rialto Channel Crossings - Agreement	6/27/2005	On-Going	SB County Flood	Improvement to flood control - future project per AB1484		1,800,000	1,800,000	1,800,000	0	0	0	0	0	1,800,000
63	Cactus Basin #3 - Agreement			SB County Flood	Improvement to flood control - appeal denied	(See note #14)	0	0	0	0	0	0	0	0	0
64	Pepper Avenue Extension - Agreement	7/1/2005	7/6/2005	City of Rialto/SanPas	New street construction - appeal denied	(See note #15)	0	0	0	0	0	0	0	0	0
65	1521 N. Rialto Lease Agreement	6/3/2010	5/31/2015	Digiiovanni Family Trust	Part of Metrolink Expansion Project		89,100	42,300	21,150	0	0	0	0	0	21,150
66	Pepper Avenue Extension Project - Contract	7/15/2008	On-Going	ABI-CASC	Professional Engineering Services		9,810	9,810	9,810	0	0	0	0	0	9,810
67	Pepper Avenue and Citywide HCP - Contract	11/10/2009	On-Going	Atkins North America	Contract Services - Environmental		17,675	17,675	17,675	0	0	0	0	0	17,675
68	Panaton-Linden & Baseline - Agreement	7/15/2008	On-Going	Linden Baseline LLC	Infrastructure Reimbursement Agreement		320,000	320,000	320,000	0	0	0	0	0	320,000
69	Panaton-Baseline & Locust - Agreement	7/15/2008	On-Going	Baseline Locust LLC	Infrastructure Reimbursement Agreement		1,800,000	1,800,000	1,800,000	0	0	0	0	0	1,800,000
70	Wal-Mart Supercenter Agreement	7/15/2008	On-Going	WalMart	Infrastructure Reimbursement Agreement		1,042,000	1,042,000	1,042,000	0	0	0	0	0	1,042,000
71	Metrolink Expansion Project - Agreement	6/9/2009	On-Going	City of Rialto	Expansion of Metrolink Parking Lot		305,000	305,000	305,000	0	0	0	0	0	305,000
72	West Jackson (8 Units)* - Agreement	7/1/2005	7/8/2005	SO CAL Housing Resources & Dev	Affordable Housing Project - Appeal denied	(See note #15)	0	0	0	0	0	0	0	0	0
73	West Jackson (12 units)* - Agreement	7/1/2005	7/5/2005	SO CAL Housing Resources & Dev	Affordable Housing Project - Appeal denied	(See note #15)	0	0	0	0	0	0	0	0	0
74	TELACU III - Senior Housing - Agreement	REMOVE		TELACU Development Corp	Affordable Housing Project		0	0	0	0	0	0	0	0	0
75	Crossroads Mixed-Use Housing* Agreement	7/2/2005	7/5/2005	KDR Communities	Affordable Housing Project - Appeal denied	(See note #15)	0	0	0	0	0	0	0	0	0
76	Crossroads Mixed-Use Housing - RDA Law	N/A	N/A	Rialto Housing Authority	Replacement obligation		See Notes	0	0	0	0	0	0	0	0
78	E) ENFORCEABLE OBLIGATIONS - FUTURE RPTTF FUNDING			NONE	NONE		0	0	0	0	0	0	0	0	0
79	Area A COS - Agreement	6/12/2007	On-Going	Lewis Hillwood Rialto LLC	Option Contract		See Notes	0	0	0	0	0	0	0	0
80	Employee Separation Benefits	N/A	N/A	City of Rialto	Cover long-term employee separation benefits		220,060	220,060	220,060	0	0	220,060	0	0	220,060
83	Highland Channel*	7/2/2005		City of Rialto	Improvement to flood control - appeal denied	(See note #16)	0	0	0	0	0	0	0	0	0
84	2004 HELP Loan	9/3/2004	9/3/2014	CHFA	Housing Loan		1,300,000	0	0	0	0	0	0	0	0
85	2005 HELP Loan	9/6/2005	9/5/2015	CHFA	Housing Loan		1,300,000	0	0	0	0	0	0	0	0
86	Regional Benefit Facilities/Industrial*	5/11/1993	On-Going	County of San Bernardino FC	Obligation to construct flood control	(See note #17)	10,049,388	0	0	0	0	0	0	0	0
87	Regional Benefit Facilities/Gateways*	5/6/1996	On-Going	County of San Bernardino FC	Obligation to construct flood control	(See note #17)	5,025,000	0	0	0	0	0	0	0	0
89	F) EXCESS BOND PROCEEDS - FUTURE FUNDING, PER AB1484			NONE	NONE		0	0	0	0	0	0	0	0	0
90	Excess funds available for future projects, per AB1484	REMOVE		NONE	NONE		0	0	0	0	0	0	0	0	0
91	2005 Series A TAB's	REMOVE		Rialto Successor Agency	Remaining Balance - Bond Proceeds		0	0	0	0	0	0	0	0	0
92	2008 Series A TAB's	REMOVE		Rialto Successor Agency	Remaining Balance - Bonds Proceeds		0	0	0	0	0	0	0	0	0
93	2008 Series B TAB's	REMOVE		Rialto Housing Authority	Remaining Balance - Housing Bonds Proceeds		0	0	0	0	0	0	0	0	0
94	2008 Series C TAB's	REMOVE		Rialto Successor Agency	Remaining Balance - Bonds Proceeds		0	0	0	0	0	0	0	0	0
95	Future Potential Projects to be Paid by Excess Bond Proceeds. Additional projects may be added or deleted later.			NONE	NONE		0	0	0	0	0	0	0	0	0
96	Riverside/7-10 Interchange Phase II	N/A	N/A	NONE	Public Right-of-Way Improvement		0	0	0	0	0	0	0	0	0
97	WDOT Property Street Improvements	N/A	N/A	NONE	Public Right-of-Way Improvement		0	0	0	0	0	0	0	0	0
98	Walnut Avenue Industrial Park	N/A	N/A	NONE	Public Right-of-Way Improvement		0	0	0	0	0	0	0	0	0
99	Ayala Industrial Park	N/A	N/A	NONE	Public Right-of-Way Improvement		0	0	0	0	0	0	0	0	0
100	Rialto Trails	N/A	N/A	NONE	Public Right-of-Way Improvement		0	0	0	0	0	0	0	0	0
101	Fire Station 205	N/A	N/A	NONE	Public Right-of-Way Improvement		0	0	0	0	0	0	0	0	0
102	Cactus Basin 4&5	N/A	N/A	NONE	Fire station construction		0	0	0	0	0	0	0	0	0
103	Rialto Channel Airport	N/A	N/A	NONE	Flood Control Improvement		0	0	0	0	0	0	0	0	0
104	Airport Public Improvements	N/A	N/A	NONE	Flood Control Improvement		0	0	0	0	0	0	0	0	0
105	Rialto Channel to Cameron	N/A	N/A	NONE	Public Right-of-Way Improvement		0	0	0	0	0	0	0	0	0
106	G) PASS-THROUGH PAYMENTS MADE LAST PERIOD AND NOT LISTED ON PREVIOUS ROPS	REMOVE		NONE	Flood Control Improvement		0	0	0	0	0	0	0	0	0
107	PRIOR PERIOD PASS THRU PAYMENTS	REMOVE		NONE	NONE		0	0	0	0	0	0	0	0	0
108	Pass-through payment			Bloomington PRG	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
109	Pass-through payment			Chaffey College	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
110	Pass-through payment			City of Rialto	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
111	Pass-through payment			County FCD	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
112	Pass-through payment			County General Fund	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
113	Pass-through payment			County Library	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
114	Pass-through payment			Colton USD	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
115	Pass-through payment			Fontana USD	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
116	Pass-through payment			IRVING	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
117	Pass-through payment			IRVING	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
118	Pass-through payment			IRVING	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
119	Pass-through payment			IRVING	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
120	Pass-through payment			IRVING	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
121	Pass-through payment			IRVING	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
122	Pass-through payment			IRVING	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
123	Pass-through payment			IRVING	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
124	ADDED ITEMS - ROPS 13-14A			West Valley USD	Pass-Through Payment Obligation - Prior to 2-1-12		0	0	0	0	0	0	0	0	0
125	SA Asset Holding - Payments/Operation	N/A	N/A	Rialto Successor Agency	SA property maintenance, repairs, utilities. Paid from reserve under # 40 from previous ROPS 12-13B.	Merged Project	50,000	50,000	0	25,000	0	0	0	0	25,000







**RIALTO (SAN BERNARDINO)**  
**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) -- Notes (Optional)**  
**July 1, 2013 through December 31, 2013**

Item #	Project Name / Debt Obligation	Notes/Comments
1	A) ENFORCEABLE OBLIGATION - PAID THROUGH RPTTF	
2	Bond Payments	
3	2003 Series A TAB's - Bonds	
4	2005 Series A TAB's - Bonds	
5	2005 Series B TAB's - Bonds	
6	2005 Series C TAB's - Bonds	
7	2008 Series A TAB's - Bonds	
8	2008 Series B TAB's - Bonds	
9	2008 Series C TAB's - Bonds	
10	Bond Payments Reserves - To ensure sufficient funds to cover bond payments for next period.	
11	2003 Series A TAB's - Bond Reserve	
12	2005 Series A TAB's - Bond Reserve	
13	2005 Series B TAB's - Bond Reserve	
14	2005 Series C TAB's - Bond Reserve	
15	2008 Series A TAB's - Bond Reserve	
16	2008 Series B TAB's - Bond Reserve	
17	2008 Series C TAB's - Bond Reserve	
18	Debt Payment Obligations	
19	2007 COP Reimbursement Agreement*	Remove
20	2007 COP Reimbursement Agreement	Staff made in an error in ROPS 2012-13B by short changing the payment. Actual payment required is \$187,698.49; however, \$157,500 was listed on the ROPS. A payment of \$30,198 is listed on ROPS 13-14A to cover the difference.
21	Walmart - Agreement	Remove
22	Enterprise - Agreement	
23	Pusan Pipe - Agreement	
24	Other Payments	
25	Cell Tower Relocation - Agreement*	Remove
26	EPA Brownfield Grant - Agreement	Remove
27	Pass-through agreement	Listed below under Items # 135 and 136
29	B) ENFORCEABLE OBLIGATION - ADMINISTRATIVE COSTS	
30	Paid From Administrative Allowance Costs Fund	

**RIALTO (SAN BERNARDINO)**  
**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) -- Notes (Optional)**  
**July 1, 2013 through December 31, 2013**

Item #	Project Name / Debt Obligation	Notes/Comments
31	SA Admin Costs - Payments/Operation	Costs includes using reserves from ROPS 12-13B of \$46,114 for Administrative Allowance.
32	SA Admin Costs - Payments/Operation	
33	SA Admin Costs - Payments/Operation	
34	SA Admin Costs - Payments/Operation	
35	SA Admin Costs - Payments/Operation	
36	SA Admin Costs - Payments/Operation	If unspent funds remain from Administrative Cost Allowance, the remaining funds will cover any negative balances of administrative costs as listed in ROPS under Item #37 and in the OB approved Administrative Budget.
37	SA Admin Costs - Payments/Operation	
38	Bond Servicing - Payment/Operation*	Remove
39	Bond Servicing - Payment/Operation	Paid from lease, interest and other revenue.
40	SA Asset Holding - Payments/Operation*	Remove
41	Monitor Housing Agreement - Payments*	Remove
42	Legal Service Reserve - Payments/Operation	Remove
43	Asset Dissolution - Payments/Operation	Remove
44	Audit Services - Payments/Operation	Remove
45	Audit Services - Payments/Operation	Remove
46	Project Management Costs - to cover direct project construction or planning activity, as per Section 34171(b)	
47	Project Management*	Remove
48	Project Management	
49	Project Management*	Remove
50	Project Management	This is related for project management costs for on-going and future projects (including bond-funded), as listed in the ROPS. Source of funds is from lease, interest and other revenues. This only relates to non-housing projects.
51	C) ENFORCEABLE OBLIGATIONS - PAID BY OTHER SOURCES	
52	Prologs Properties - Agreement	Remove.
53	Brownfield Project - Agreement	Part of Brownfield grant from HUD. Source of funds for services is from grant.
54	EPA Brownfield Grant - Agreement	Remove.
55	Ground Sub-Lease - Agreement	Other source of funds is lease payments received from Entertec and paid to Rialto Utility Authority.

**RIALTO (SAN BERNARDINO)**  
**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) -- Notes (Optional)**  
**July 1, 2013 through December 31, 2013**

Item #	Project Name / Debt Obligation	Notes/Comments
58	D) ENFORCEABLE OBLIGATIONS - PAID BY BONDS	
59	Various projects - Payments	Remove
60	Various projects - Payments	Remove.
61	Riverside/I-10 Interchange* - Agreement	DOF denied this item on the ROPS 12-13B. Successor Agency objects to this denial and reserves all rights. This enforceable obligation will be include on each future ROPS until it is approved by DOF and paid in full.
62	Rialto Channel Crossings - Agreement	
63	Cactus Basin #3* - Agreement	DOF denied this item on the ROPS 12-13B. Successor Agency objects to this denial and reserves all rights. This enforceable obligation will be include on each future ROPS until it is approved by DOF and paid in full.
64	Pepper Avenue Extension * - Agreement	DOF denied this item on the ROPS 12-13B. Successor Agency objects to this denial and reserves all rights. This enforceable obligation will be include on each future ROPS until it is approved by DOF and paid in full.
65	521 N. Rialto Lease Agreement	
66	Pepper Avenue Extension Project - Contract	
67	Pepper Avenue and Citywide HCP - Contract	
68	Panattoni-Linden & Baseline - Agreement	
69	Panattoni-Baseline & Locust - Agreement	
70	Wal-Mart Supercenter Agreement	
71	Metrolink Expansion Project - Agreement	
72	West Jackson (8 Units)* - Agreement	DOF denied this item on the ROPS 12-13B. Successor Agency objects to this denial and reserves all rights. This enforceable obligation will be include on each future ROPS until it is approved by DOF and paid in full.
73	West Jackson (32 units)* - Agreement	DOF denied this item on the ROPS 12-13B. Successor Agency objects to this denial and reserves all rights. This enforceable obligation will be include on each future ROPS until it is approved by DOF and paid in full.
74	TELACU III - Senior Housing - Agreement	Remove
75	Crossroads Mixed-Use Housing* - Agreement.	DOF denied this item on the ROPS 12-13B. Successor Agency objects to this denial and reserves all rights. This enforceable obligation will be include on each future ROPS until it is approved by DOF and paid in full.
76	Crossroads Mixed-Use Housing - RDA Law	Replacement obligation required if Crossroads project is not developed.
78	E) ENFORCEABLE OBLIGATIONS - FUTURE RPTTF FUNDING	

**RIALTO (SAN BERNARDINO)**  
**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) -- Notes (Optional)**  
**July 1, 2013 through December 31, 2013**

Item #	Project Name / Debt Obligation	Notes/Comments
79	Area A COS - Agreement	This obligation is related to the Rialto Airport. The City's conveyance of the Rialto Airport to the Successor Agency was rescinded, effective January 26, 2012, due to failure of consideration for the conveyance. This item will be removed from the ROPS upon receipt by the City and Successor Agency of an acknowledgement from DOF or the State Controller that the rescission of this conveyance is accepted by the State of California and that title to the Rialto Airport is vested with the City of Rialto
80	Employee Separation Benefits	This covers separation costs of former redevelopment agency employees, as an enforceable obligation pursuant to HSC 34171(d)(1)(C). Costs include workers compensation and leave accrue liability now covered by City of Rialto. Successor Agency reserves the right to include on future ROPS additional employee separation costs, if incurred.
83	Highland Channel *	DOF denied in 2012-13B ROPS. Successor Agency reserves the right to appeal and place on future ROPS as an enforceable obligation either as part or not as part of the Finding of Completion.
84	2004 HELP Loan	DOF reviewed and rejected the Successor Agency's obligation to repay the HELP Loans as part of DOF's review of the Housing Due Diligence Review. The Successor Agency made the required payment as shown on the Housing Due Diligence Review, as revised by DOF. DOF has not rejected the HELP Loans as enforceable obligations on any ROPS. The HELP Loans will need to be paid from RPTTF. Payments on the HELP Loans will be due in 2013 and 2014. This item will remain on the ROPS until the HELP Loans are approved by DOF and paid in full
85	2005 HELP Loan	DOF reviewed and rejected the Successor Agency's obligation to repay the HELP Loans as part of DOF's review of the Housing Due Diligence Review. The Successor Agency made the required payment as shown on the Housing Due Diligence Review, as revised by DOF. DOF has not rejected the HELP Loans as enforceable obligations on any ROPS. The HELP Loans will need to be paid from RPTTF. Payments on the HELP Loans will be due in 2013 and 2014. This item will remain on the ROPS until the HELP Loans are approved by DOF and paid in full
86	Regional Benefit Facilities/Industrial*	
87	Regional Benefit Facilities/Gateway*	
89	F) EXCESS BOND PROCEEDS - FUTURE FUNDING, PER AB1484	
90	Excess funds available for future projects, per AB1484	Remove
91	2005 Series A TAB's	Remove
92	2008 Series A TAB's	Remove
93	2008 Series B TAB's	Remove
94	2008 Series C TAB's	Remove
95	Future Potential Projects to be Paid by Excess Bond Proceeds. Additional projects may be added or deleted later.	
96	Riverside/I-10 Interchange Phase II	
97	WDJL Property Street Improvements	
98	Walnut Avenue Industrial Park	
99	Ayala Industrial Park	
100	Rails to Trails	

**RIALTO (SAN BERNARDINO)**  
**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) -- Notes (Optional)**  
**July 1, 2013 through December 31, 2013**

Item #	Project Name / Debt Obligation	Notes/Comments
101	Fire Station 205	
102	Cactus Basin 4&5	
103	Rialto Channel Airport	
104	Airport Public Improvements	
105	Rialto Channel to Cameron	
106	G) PASS-THROUGH PAYMENTS MADE LAST PERIOD AND NOT LISTED ON PREVIOUS ROPS	Remove
107	PRIOR PERIOD PASS THRU PAYMENTS	Remove
108	Pass-through payment	Remove
109	Pass-through payment	Remove
110	Pass-through payment	Remove
111	Pass-through payment	Remove
112	Pass-through payment	Remove
113	Pass-through payment	Remove
114	Pass-through payment	Remove
115	Pass-through payment	Remove
116	Pass-through payment	Remove
117	Pass-through payment	Remove
118	Pass-through payment	Remove
119	Pass-through payment	Remove
120	Pass-through payment	Remove
121	Pass-through payment	Remove
122	Pass-through payment	Remove
123	Pass-through payment	Remove
124		
125	SA Asset Holding - Payments/Operation	Pay from reserves approved in ROPS 12-13B.
126	Legal Service - Payments/Operation	Pay from reserves approved in ROPS 12-13B.
127	Asset Dissolution - Payments/Operation	Pay from reserves approved in ROPS 12-13B.
128	Audit Services - Payments/Operation	Pay from reserves approved in ROPS 12-13B.
129	BLANK	
130	Riverside/I-10 Interchange - Agreement	Denied in previous ROPS. SA considers this project to be an enforceable obligation, per AB1X26. SA anticipates that a Finding of Completion per 34191.4( c ) issued by July 1, 2013.
131	Pepper Avenue Extension - Agreement	Denied in previous ROPS. SA considers this project to be an enforceable obligation, per AB1X26. SA anticipates that a Finding of Completion per 34191.4( c ) issued by July 1, 2013.

**RIALTO (SAN BERNARDINO)**  
**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) -- Notes (Optional)**  
**July 1, 2013 through December 31, 2013**

Item #	Project Name / Debt Obligation	Notes/Comments
132	West Jackson (8 Units) - Agreement	Denied in previous ROPS. SA considers this project to be an enforceable obligation, per AB1X26. SA anticipates that a Finding of Completion per 34191.4( c ) issued by July 1, 2013.
133	West Jackson (32 units) - Agreement	Denied in previous ROPS. SA considers this project to be an enforceable obligation, per AB1X26. SA anticipates that a Finding of Completion per 34191.4( c ) issued by July 1, 2013.
134	Crossroads Mixed-Use Housing - Agreement	Denied in previous ROPS. SA considers this project to be an enforceable obligation, per AB1X26. SA anticipates that a Finding of Completion per 34191.4( c ) issued by July 1, 2013.
135	Pass-through Agreement Supplement	Denied in previous ROPS. SA is awaiting determination from County Auditor/Controller if this supplemental pass-through agreement can be paid from standard pass-through payment from Auditor/Controller or from ROPS. Item was added if determination is determined that it should be paid from ROPS.
136	Pass-through Agreement Supplement - Denied	As noted above, awaiting determination from County Auditor/Controller on payment source. If it is determined that this payment should be paid from ROPS, then the purpose of this line item is to also obtain funds to cover payment for FY13 as listed in ROPS 12-13B.
137	Deposit Agreement	Related to an agreement where applicant was required to make a monetary deposit. The item is to refund the applicant the deposit.
138	Deposit Agreement	Related to an agreement where applicant was required to make a monetary deposit. The item is to refund the applicant the deposit.
139	Deposit Agreement	Related to an agreement where applicant was required to make a monetary deposit. The item is to refund the applicant the deposit.
140	Deposit Agreement	Related to an agreement where applicant was required to make a monetary deposit. The item is to refund the applicant the deposit.
141		Related to an agreement where applicant was required to make a monetary deposit. The item is to refund the applicant the deposit.
***	CORRECTION TO PROJECT AREA COLUMN	PLEASE CORRECT THIS COLUMN UNDER THE ROPS TAB BY ELIMINATING THE NOTE COMMENTS AND ADDING MERGED AREA.



**Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary**

Filed for the January 1, 2014 through June 30, 2014 Period

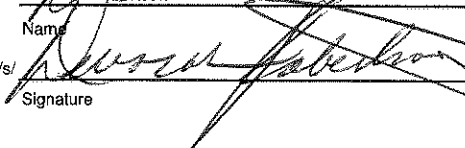
Name of Successor Agency: Rialto  
 Name of County: San Bernardino

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>	
<b>A Sources (B+C+D):</b>	<b>\$ 17,609,279</b>
B Bond Proceeds Funding (ROPS Detail)	10,012,000
C Reserve Balance Funding (ROPS Detail)	7,436,328
D Other Funding (ROPS Detail)	160,951
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 9,458,697</b>
F Non-Administrative Costs (ROPS Detail)	9,183,201
G Administrative Costs (ROPS Detail)	275,496
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 27,067,976</b>

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	9,458,697
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	(11,886)
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 9,446,811</b>

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	9,458,697
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>9,458,697</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) of the Health and Safety code, I hereby  
 certify that the above is a true and accurate Recognized Obligation  
 Payment Schedule for the above named agency.

Deborah Robertson \_\_\_\_\_ Chair  
 Name \_\_\_\_\_ Title  
 /s/  \_\_\_\_\_ Date 9/26/13

**Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund Balances**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I	J	K	
Fund Balance Information by ROPS Period		Fund Sources								Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		Total		
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin			
<b>ROPS III Actuals (01/01/13 - 6/30/13)</b>											
1	<b>Beginning Available Fund Balance (Actual 01/01/13)</b> Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)	22,193,040		903,864	-	14,538	62,950	-	\$ 23,174,392	Amount on C, 8 includes adjustments to include actual expenditures for Pepper Avenue and I-10 project prior to 1-1-2013. The amounts were previously denied, but later approved in ROPS 13-14A. Housing bond balance excluded in amount.	
2	<b>Revenue/Income (Actual 06/30/13)</b> Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller	525,303				310,737	8,099,769	246,114	\$ 9,181,923	RPTTF revenues received in January in prior ROPS period. Does not include RPTTF received in June of prior ROPS period.	
3	<b>Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13)</b> Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs	3,323,143		448,123		48,102	5,366,063	200,000	\$ 9,385,431		
4	<b>Retention of Available Fund Balance (Actual 06/30/13)</b> Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III	-		421,278		-	2,784,770	46,114	\$ 3,252,162	\$46,114 retention in line 1, 4 to carry-over to ROPS 14-14A.	
5	<b>ROPS III RPTTF Prior Period Adjustment</b> Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.			No entry required				11,886	-	\$ 11,886	
6	<b>Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)</b>	\$ 19,395,200	\$ -	\$ 34,463	\$ -	\$ 277,173	\$ 11,886	\$ -	\$ 19,706,836		
<b>ROPS 13-14A Estimate (07/01/13 - 12/31/13)</b>											
7	<b>Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)</b>	\$ 19,395,200	\$ -	\$ 455,741	\$ 2,784,770	\$ 277,173	\$ 23,772	\$ -	\$ 22,970,884	Shows \$23,772 on Line H, 12. Balance should be \$11,886.	
8	<b>Revenue/Income (Estimate 12/31/13)</b> Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller					141,462	5,407,880	165,585	\$ 5,714,927	RPTTF revenue received in June of prior ROPS period.	
9	<b>Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)</b>			192,646	2,784,770	140,000	5,407,880	211,699	\$ 8,736,995	Line C, 17 left blank due to cost adjustments for I-10 and Pepper projects prior to ROPS III. Difficult to estimate expenses in ROPS 13-14A until analysis complete.	
10	<b>Retention of Available Fund Balance (Estimate 12/31/13)</b> Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A			228,632				(46,114)	\$ 182,518	\$46,114 retention carry-over from ROPS III (line H, 11)	
11	<b>Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)</b>	\$ 19,395,200	\$ -	\$ 34,463	\$ -	\$ 278,635	\$ 23,772	\$ -	\$ 19,766,298	Correct balance on line H, 19 is \$11,886.	

**Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail**  
**January 1, 2014 through June 30, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										K	L	M	N	O	
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
3	2003 Series A TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/30/2003	9/1/2027	Union Bank/Trustee	Public Improvement Bonds	Merged Project	\$ 322,605,660	N	\$ 10,012,000	\$ 7,436,328	\$ 160,951	\$ 9,183,201	\$ 275,496	\$ 27,067,976
4	2005 Series A TAB's - Bonds	Bonds Issued On or Before 12/31/10	6/25/2005	9/1/2035	Union Bank/Trustee	Public Improvement Bonds	Merged Project	\$ 31,088,125.02	N				543,650.00		\$ 543,650
5	2005 Series B TAB's - Bonds	Bonds Issued On or Before 12/31/10	6/25/2005	9/1/2032	Union Bank/Trustee	Housing Bonds	Merged Project	\$ 42,158,517.74	N				548,755.00		\$ 548,755
6	2005 Series C TAB's - Bonds	Bonds Issued On or Before 12/31/10	6/25/2005	9/1/2035	Union Bank/Trustee	Public Improvement Bonds	Merged Project	\$ 14,808,242.50	N				234,903.75		\$ 234,904
7	2008 Series A TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/29/2008	9/1/2037	Union Bank/Trustee	Public Improvement Bonds	Merged Project	\$ 28,571,357.50	N				431,145.00		\$ 431,145
8	2008 Series B TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/29/2008	9/1/2037	Union Bank/Trustee	Housing Bonds	Merged Project	\$ 79,970,137.52	N				1,117,963.75		\$ 1,117,964
9	2008 Series C TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/29/2008	9/1/2037	Union Bank/Trustee	Public Improvement Bonds	Merged Project	\$ 60,439,500.00	N				1,000,125.00		\$ 1,000,125
11	2003 Series A TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project	\$ 44,435,875.00	N				762,562.50		\$ 762,563
12	2005 Series A TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project		N				580,528		\$ 580,528
13	2005 Series B TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Housing Bonds - Reserve for next Period	Merged Project		N				260,314		\$ 260,314
14	2005 Series C TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project		N				190,716		\$ 190,716
15	2008 Series A TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project		N				310,151		\$ 310,151
16	2008 Series B TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Housing Bonds - Reserve for next Period	Merged Project		N				576,787		\$ 576,787
17	2008 Series C TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project		N				474,294		\$ 474,294
20	2007 COP Reimbursement Agreement	Third-Party Loans	12/4/2007	1/20/2022	City of Rialto	Public Improvement Agreement - Current Period Payment	Merged Project	1,681,576.00	N				380,547		\$ 380,547
22	Enterprise - Agreement	Business Incentive Agreements	5/21/1996	12/31/2016	Enterprise	Sales Tax Rebate Agreement	Merged Project	592,892	N				185,932		\$ 185,932
23	Pusan Pipe - Agreement	Business Incentive Agreements	8/11/2009	8/11/2019	Pusan Pipe	Sales Tax Rebate Agreement	Merged Project	94,632	N		15,000		54,000		\$ 54,000
31	SA Admin Costs - Payments/Operation	Admin Costs	1/1/2014	6/30/2014	Rialto Successor Agency	Staff Cost	Merged Project		N					135,000	\$ 135,000
32	SA Admin Costs - Payments/Operation	Admin Costs	1/1/2014	6/30/2014	Rialto Successor Agency	Other services/administrative cost	Merged Project		N					13,237	\$ 13,237
33	SA Admin Costs - Payments/Operation	Admin Costs	1/1/2014	6/30/2014	Rialto Successor Agency	Legal Services	Merged Project		N					37,500	\$ 37,500
34	SA Admin Costs - Payments/Operation	Admin Costs	1/1/2014	6/30/2014	Rialto Successor Agency	Consultant services	Merged Project		N					9,263	\$ 9,263
35	SA Admin Costs - Payments/Operation	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Reserve to cover ROPS 14-15A Admin Costs	Merged Project		N				80,496		\$ 80,496
37	SA Admin Costs - Payments/Operation	Admin Costs	1/1/2014	6/30/2014	City of Rialto	City finance and admin support services	Merged Project		N						\$ 44,433
39	Bond Servicing - Payment/Operation	Fees	1/1/2014	6/30/2014	Willdan/Union Bank	Trustee Fees/Arbitrage Rebate Services	Merged Project		N			44,433			\$ 44,433
50	Project Management	Project Management Costs	1/1/2014	6/30/2014	Successor Agency	Employee cost manage housing project for next period	Merged Project		N			20,000			\$ 20,000
53	Brownfield Project - Agreement	Improvement/Infrastructure	11/8/2011	6/30/2014	Converse	Consulting services	Merged Project		N			65,567			\$ 65,567
62	Rialto Channel Crossings - Agreement	Improvement/Infrastructure	6/27/2005	6/30/2014	SB County Flood	Improvement to flood control - litigation	Merged Project	1,800,000	N	1,800,000		10,951			\$ 1,800,000

**Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail**  
**January 1, 2014 through June 30, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					L	M	N	O	P		
										Funding Source											
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)										RPTTF	
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin						Six-Month Total	
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total						
63	Cactus Basin #3* - Agreement	Improvement/Infrastructure	1/1/2014	6/30/2014	SB County Flood	Improvement to flood control - litigation	Merged Project	2,200,000	N	2,200,000					\$ 2,200,000						
65	521 N. Rialto Lease Agreement	Improvement/Infrastructure	6/1/2010	5/31/2015	DiGiovanni Family Trust	Part of Metrolink Expansion Project	Merged Project	67,950	N	21,150					\$ 21,150						
70	Wal-Mart Supercenter Agreement	Improvement/Infrastructure	7/15/2008	6/30/2014	Wal-Mart	Infrastructure Reimbursement Agreement	Merged Project	1,042,000	N	1,042,000					\$ 1,042,000						
71	Metrolink Expansion Project - Agreement	Improvement/Infrastructure	6/9/2009	6/30/2014	City of Rialto	Demolition of exist structure to expand Metrolink parking lot.	Merged Project	248,850	N	248,850					\$ 248,850						
84	2004 HELP Loan	Third-Party Loans	9/3/2004	9/3/2014	CHFA	Housing Loan	Merged Project	1,300,000	N				1,300,000		\$ 1,300,000						
125	SA Asset Holding - Payments/Operation	Property Maintenance	1/1/2014	6/30/2014	Rialto Successor Agency	SA property maintenance, repairs, utilities. Paid from reserve under # 40 from previous ROPS 12-13B.	Merged Project	-	N		25,000				\$ 25,000						
126	Legal Service - Payments/Operation	Legal	1/1/2014	6/30/2014	Stradling Yocca Carlson	Cover any legal costs for dissolution activity or litigation expenses. Paid from reserve under # 42 from previous ROPS 12-13B.	Merged Project	-	N		50,000				\$ 50,000						
127	Asset Dissolution - Payments/Operation	Property Dispositions	1/1/2014	6/30/2014	Keyser Marston Associates/Other Vendors	Cover costs to prepare plan and sale assets. Paid from reserve under # 43 from previous ROPS 12-13B.	Merged Project	-	N		50,000				\$ 50,000						
128	Audit Services - Payments/Operation	Professional Services	1/1/2014	6/30/2014	White Nelson Diehl Evans LL	Audit Services. Paid from reserve under # 45 from previous ROPS 12-13B.	Merged Project	-	N		25,000				\$ 25,000						
142	Staff Costs - housing successor	Admin Costs	1/1/2014	6/30/2014	Rialto Housing Authority	Monitor existing agreements/New Project	Merged Project	-	N		36,000				\$ 36,000						
143	Legal Services - housing successor	Legal	1/1/2014	6/30/2014	SYCR	Existing agreement/New Projects	Merged Project	-	N		40,000				\$ 40,000						
144	Contract Services - housing successor	Professional Services	1/1/2014	6/30/2014	Keyser Marston	Existing agreement/New Projects	Merged Project	-	N		20,000				\$ 20,000						
145	H) NEW PAYMENTS - ROPS 13-14B	Miscellaneous	1/1/2014	6/30/2014	None	None		-	N						\$ -						
146	San Bernardino Ave. Alignment	Improvement/Infrastructure	1/1/2014	6/30/2014	City of Rialto	Road improvements to San Bernardino Avenue between Riverside Avenue and Willow Avenue.	Merged Project	3,000,000	N	3,000,000					\$ 3,000,000						
147	Cedar Ave. Alignment	Improvement/Infrastructure	1/1/2014	6/30/2014	City of Rialto	Road improvements to Cedar Avenue between Baseline Avenue and 210 Freeway.	Merged Project	700,000	N	700,000					\$ 700,000						
148	Trickleside Alley	Improvement/Infrastructure	1/1/2014	6/30/2014	City of Rialto	Improvements to an existing alley in Downtown West of Riverside Avenue and between Rialto Avenue and First Avenue.	Merged Project	1,000,000	N	1,000,000					\$ 1,000,000						
149	Affordable Housing Project	OPA/DDA/Construction	1/1/2014	6/30/2014	Rialto Housing Authority	Unknown affordable housing project for acquisition and development with existing housing bond funds.	Merged Project	7,175,328	N		7,175,328				\$ 7,175,328						
150	Rialto Unified School District Demand	Miscellaneous	1/1/2014	6/30/2014	Rialto Unified School District	Adjustments made to FY 2008/09 and FY 2009/10 pass-through payments in Industrial Project Area, per court ruling requiring Post-ERAF calculation.	Merged Project	119,213	N				119,213		\$ 119,213						
151	Chaffey College Demand	Miscellaneous	1/1/2014	6/30/2014	Chaffey Community College District	Adjustments made to FY 2008/09 and FY 2009/10 pass-through payments in Industrial and Added Project Areas, per court ruling requiring Post-ERAF calculation.	Merged Project	5,808	N				5,808		\$ 5,808						
152	San Bernardino College Demand	Miscellaneous	1/1/2014	6/30/2014	San Bernardino Community College District	Adjustments made to FY 2008/09 and FY 2009/10 pass-through payments in Industrial, Added and Gateway Project Areas, per court ruling requiring Post-ERAF calculation.	Merged Project	87,881	N				87,881		\$ 87,881						

**Recognized Obligation Payment Schedule (ROPS ) 13-14B - ROPS Detail**  
**January 1, 2014 through June 30, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
153	San Bernardino County Superintendent Demand	Miscellaneous	1/1/2014	6/30/2014	San Bernardino County Superintendent of Schools	Adjustments made to FY 2008/09 and FY 2009/10 pass-through payments in Industrial, Added and Gateway Project Areas, per court ruling requiring Post-ERAF calculation.	Merged Project	17,775	N				17,775		\$ 17,775
154	Structure Demolition at Successor Agency Parcels	Property Maintenance	1/1/2014	6/30/2014	Rialto Successor Agency	Demolish existing dilapidated structure on Successor Agency property at 2530 S. Lilac Ave. and 1394 Laurel Ave.	Merged Project	-	N			20,000			\$ 20,000

**Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund Balances**

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I	J	K
		<b>Fund Sources</b>								
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>			
<b>Fund Balance Information by ROPS Period</b>		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin	Total	<b>Comments</b>
<b>ROPS III Actuals (01/01/13 - 6/30/13)</b>										
1	<b>Beginning Available Fund Balance (Actual 01/01/13)</b> Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)	22,193,040		903,864	-	14,538	62,950	-	\$ 23,174,392	Amount on C, 8 includes adjustments to include actual expenditures for Pepper Avenue and I-10 project prior to 1-1-2013. The amounts were previously denied, but later approved in ROPS 13-14A. Housing bond balance excluded in amount.
2	<b>Revenue/Income (Actual 06/30/13)</b> Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller	525,303				310,737	8,099,769	246,114	\$ 9,181,923	RPTTF revenues received in January in prior ROPS period. Does not include RPTTF received in June of prior ROPS period.
3	<b>Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13)</b> Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs	3,323,143		448,123		48,102	5,366,063	200,000	\$ 9,385,431	
4	<b>Retention of Available Fund Balance (Actual 06/30/13)</b> Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III	-		421,278		-	2,784,770	46,114	\$ 3,252,162	\$46,114 retention in line I, 4 to carry-over to ROPS 14-14A.
5	<b>ROPS III RPTTF Prior Period Adjustment</b> Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.			No entry required				11,886	\$ 11,886	
6	<b>Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)</b>	\$ 19,395,200	\$ -	\$ 34,463	\$ -	\$ 277,173	\$ 11,886	\$ -	\$ 19,706,836	
<b>ROPS 13-14A Estimate (07/01/13 - 12/31/13)</b>										
7	<b>Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)</b>	\$ 19,395,200	\$ -	\$ 455,741	\$ 2,784,770	\$ 277,173	\$ 23,772	\$ -	\$ 22,970,884	Shows \$23,772 on Line H, 12. Balance should be \$11,886.
8	<b>Revenue/Income (Estimate 12/31/13)</b> Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller					141,462	5,407,880	165,585	\$ 5,714,927	RPTTF revenue received in June of prior ROPS period.
9	<b>Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)</b>			192,646	2,784,770	140,000	5,407,880	211,699	\$ 8,736,995	Line C, 17 left blank due to cost adjustments for I-10 and Pepper projects prior to ROPS III. Difficult to estimate expenses in ROPS 13-14A until analysis complete.
10	<b>Retention of Available Fund Balance (Estimate 12/31/13)</b> Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A			228,632				(46,114)	\$ 182,518	\$46,114 retention carry-over from ROPS III (line H, 11)
11	<b>Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)</b>	\$ 19,395,200	\$ -	\$ 34,463	\$ -	\$ 278,635	\$ 23,772	\$ -	\$ 19,766,298	Correct balance on line H, 19 is \$11,886.









## Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
<b>ROPS DETAIL SHEET</b>	
23	Reserve from carry-over of \$39,896 from ROPS III per DOF approval in ROPS 13-14A.
37, 39, 50	Other Funds source is from rents and loan receivables.
41	Any remaining funds to support other administrative activity, as specified in Administrative Budget approved by OB.
53	Other Funds source is from USEPA Grant.
62	Approved in ROPS 13-14A. Carry-over to ROPS 13-14B due to on-going litigation.
63	Previously denied in ROPS III. Included to ROPS 13-14b due to on-going litigation.
70	Wal-Mart agreement was included in ROPS 13-14A, fund source is bonds. The project has not commenced and is re-submitted in ROPS 13-14B.
71	Metrolink project was included in ROPS 13-14A, fund source is bonds. The project has not commenced and is re-submitted in ROPS 13-14B.
84	Reserve of \$1.3 Million established for payment due in September 2014.
125-128	Reserve source from Other Funds DDR in ROPS III to cover possible costs for future obligations for dissolution activities.
142-144	Reserve source is from Low Mod Housing Funds, which were transferred to housing successor per LMH DDR and Housing Asset Transfer Form. Placed in Reserve column per DOF Instructions
146-148	New projects utilizing bond funds known as 2005 Series A, compliance with HSC 34191.4( c ).
149	In ROPS 13-14A, \$7,175,328 of housing bond funds was approved for the Crossroads Mixed Use Project (#134). The agreement with the developer expired. The housing successor agency, Rialto Housing Authority, requested that this amount be on ROPS 13-14B to be used either for agreement extension for the Crossroads project or for new project with a different developer. If approved, the funds will be used for either construction costs or acquisition. The fund source is from housing bonds. The amount was listed under Reserve column per ROPS Instructions, page 3.
150-153	Items added due to demands received to adjust prior pass-through payments. The request is due to Los Angeles Unified School District vs. Los Angeles County ruling on requiring calculations based on post-ERAF.
154	Item relates to demolition of dilapidated structures at two separate Successor Agency parcels. The estimate total amount is \$20,000. Other Fund source is from rents and loan receivables.
<b>PRIOR PERIOD ADJUSTMENTS SHEET</b>	
20	\$96,382 previously requested in ROPS III. DOF approved \$30,199 in DDR process. The remaining balance was conveyed through DDR process.
35	In ROPS III, \$46,114 carried over as reserve to cover Administrative Allowance in ROPS 13-14A.
36	Any unspent funds carried over to cover overhead costs incurred by City, per ROPS III.
40, 42, 43, 45	Set-aside in reserve for future payments related to dissolution activity, per DOF approved ROPS III.

## Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

**Name of Successor Agency:** Rialto  
**Name of County:** San Bernardino

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>	<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>	
<b>A Sources (B+C+D):</b>	<b>\$ 13,018,684</b>
B Bond Proceeds Funding (ROPS Detail)	9,992,600
C Reserve Balance Funding (ROPS Detail)	2,886,584
D Other Funding (ROPS Detail)	139,500
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 7,529,829</b>
F Non-Administrative Costs (ROPS Detail)	7,310,514
G Administrative Costs (ROPS Detail)	219,315
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 20,548,513</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>	
I Enforceable Obligations funded with RPTTF (E):	7,529,829
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(67,319)
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 7,462,510</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>	
L Enforceable Obligations funded with RPTTF (E):	7,529,829
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>7,529,829</b>

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name	Title
/s/	
Signature	Date

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail**  
**July 1, 2014 through December 31, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
								\$ 310,017,684		\$ 9,992,600	\$ 2,886,584	\$ 139,500	\$ 7,310,514	\$ 219,315	\$ 20,548,513
1	A) ENFORCEABLE OBLIGATION -	Miscellaneous	1/1/2014	6/30/2014	NONE	NONE		-	y						\$ -
2	Bond Payments	Miscellaneous	1/1/2014	6/30/2014	NONE	NONE		-	y						\$ -
3	2003 Series A TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/30/2003	9/1/2027	Union Bank/Trustee	Public Improvement Bonds	Merged Project	30,544,475	N		580,528		1,078,122		\$ 1,658,650
4	2005 Series A TAB's - Bonds	Bonds Issued On or Before 12/31/10	6/25/2005	9/1/2035	Union Bank/Trustee	Public Improvement Bonds	Merged Project	41,609,763	N		260,314		483,441		\$ 743,755
5	2005 Series B TAB's - Bonds	Bonds Issued On or Before 12/31/10	6/25/2005	9/1/2032	Union Bank/Trustee	Housing Bonds	Merged Project	14,573,339	N		190,716		354,188		\$ 544,904
6	2005 Series C TAB's - Bonds	Bonds Issued On or Before 12/31/10	6/25/2005	9/1/2035	Union Bank/Trustee	Public Improvement Bonds	Merged Project	28,140,213	N		310,151		575,994		\$ 886,145
7	2008 Series A TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/29/2008	9/1/2037	Union Bank/Trustee	Public Improvement Bonds	Merged Project	78,852,174	N		576,787		1,071,177		\$ 1,647,964
8	2008 Series B TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/29/2008	9/1/2037	Union Bank/Trustee	Housing Bonds	Merged Project	59,439,375	N		474,294		880,831		\$ 1,355,125
9	2008 Series C TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/29/2008	9/1/2037	Union Bank/Trustee	Public Improvement Bonds	Merged Project	43,673,313	N		380,647		706,916		\$ 1,087,563
10	Bond Payments Reserves - To ensure sufficient funds to cover bond payments for next period.	Miscellaneous	1/1/2014	6/30/2014	NONE	NONE		-	y						\$ -
11	2003 Series A TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project	-	N						\$ -
12	2005 Series A TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project	-	N						\$ -
13	2005 Series B TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Housing Bonds - Reserve for next Period	Merged Project	-	N						\$ -
14	2005 Series C TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project	-	N						\$ -
15	2008 Series A TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project	-	N						\$ -
16	2008 Series B TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Housing Bonds - Reserve for next Period	Merged Project	-	N						\$ -
17	2008 Series C TAB's - Bond Reserve	Reserves	1/1/2014	6/30/2014	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project	-	N						\$ -
18	Debt Payment Obligations	Miscellaneous	1/1/2014	6/30/2014	NONE	NONE	Merged Project	-	N						\$ -
20	2007 COP Reimbursement Agreement	Third-Party Loans	12/4/2007	1/20/2022	City of Rialto	Public Improvement Agreement - Current Period Payment	Merged Project	-	N						\$ -
22	Enterprise - Agreement	Business Incentive Agreements	5/21/1996	12/31/2016	Enterprise	Sales Tax Rebate Agreement	Merged Project	576,012	N				54,000		\$ 54,000
23	Pusan Pipe - Agreement	Business Incentive Agreements	8/11/2009	8/11/2019	Pusan Pipe	Sales Tax Rebate Agreement	Merged Project	62,963	N				50,000		\$ 50,000
24	Other Payments	Miscellaneous	7/1/2014	12/31/2014	NONE	NONE	Merged Project	-	y						\$ -
29	B) ENFORCEABLE OBLIGATION - ADMINISTRATIVE COSTS	Miscellaneous	7/1/2014	12/31/2014	NONE	NONE	Merged Project	-	y						\$ -
30	Paid From Administrative Allowance Costs Fund	Miscellaneous	7/1/2014	12/31/2014	NONE	NONE	Merged Project	-	y						\$ -
31	SA Admin Costs - Payments/Operation	Admin Costs	7/1/2014	12/31/2014	Rialto Successor Agency	Staff; legal; consultant; supplies; services; etc.	Merged Project	257,462	N		38,147			219,315	\$ 257,462
32	SA Admin Costs - Payments/Operation	Admin Costs	7/1/2014	12/31/2014	Rialto Successor Agency	Other services/administrative cost	Merged Project	-	Y						\$ -
33	SA Admin Costs - Payments/Operation	Admin Costs	7/1/2014	12/31/2014	Rialto Successor Agency	Legal Services	Merged Project	-	Y						\$ -
34	SA Admin Costs - Payments/Operation	Admin Costs	7/1/2014	12/31/2014	Rialto Successor Agency	Consultant services	Merged Project	-	Y						\$ -
35	SA Admin Costs - Payments/Operation	Reserves	7/1/2014	12/31/2014	Rialto Successor Agency	Reserve to cover ROPS 14-15A Admin Costs	Merged Project	-	N						\$ -

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail**  
**July 1, 2014 through December 31, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K				L	M	N	O	P
										Funding Source								
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF					
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total			
36	SA Admin Costs - Payments/Operation	Admin Costs	7/1/2014	12/31/2014	City of Rialto	Cover admin expenses listed below - Other Fund Sources	Merged Project	-	N						\$	-		
37	SA Admin Costs - Payments/Operation	Admin Costs	7/1/2014	12/31/2014	City of Rialto	City finance and admin support services	Merged Project	44,433	N			44,433			\$	44,433		
39	Bond Servicing - Payment/Operation	Fees	7/1/2014	12/31/2014	Willdan/Union Bank	Trustee Fees/Arbitrage Rebate Services	Merged Project	22,000	N			22,000			\$	22,000		
46	Project Management Costs - to cover direct project construction or planning activity, as per Section 34171(b)	Project Management Costs	7/1/2014	12/31/2014	NONE	NONE	Merged Project	-	y						\$	-		
50	Project Management	Project Management Costs	7/1/2014	12/31/2014	Successor Agency	Employee cost manage non-housing project for next period	Merged Project	65,567	N			65,567			\$	65,567		
51	C) ENFORCEABLE OBLIGATIONS PAID BY OTHER SOURCES	Improvement/Infrastructure	7/1/2014	12/31/2014	NONE	NONE	Merged Project	-	y						\$	-		
53	Brownfield Project - Agreement	Improvement/Infrastructure	7/1/2014	12/31/2014	Converse	Consulting services	Merged Project	-	N						\$	-		
58	D) ENFORCEABLE OBLIGATIONS PAID BY BONDS	Improvement/Infrastructure	7/1/2014	12/31/2014	NONE	NONE	Merged Project	-	y						\$	-		
62	Rialto Channel Crossings - Agreement	Improvement/Infrastructure	7/1/2014	12/31/2014	SB County Flood	Improvement to flood control - litigation	Merged Project	-	N						\$	-		
63	Cactus Basin #3* - Agreement	Improvement/Infrastructure	7/1/2014	12/31/2014	SB County Flood	Improvement to flood control - litigation	Merged Project	-	N						\$	-		
65	521 N. Rialto Lease Agreement	Improvement/Infrastructure	7/1/2014	12/31/2014	DiGiovanni Family Trust	Part of Metrolink Expansion Project	Merged Project	46,800	N	21,150					\$	21,150		
70	Wal-Mart Supercenter Agreement	Improvement/Infrastructure	7/1/2014	12/31/2014	Wal-Mart	Infrastructure Reimbursement Agreement	Merged Project	-	N						\$	-		
71	Metrolink Expansion Project - Agreement	Improvement/Infrastructure	7/1/2014	12/31/2014	City of Rialto	Demolition of exist structure to expand Metrolink parking lot.	Merged Project	248,850	N	248,850					\$	248,850		
75	Crossroads Mixed-Use Housing* - Agreement.	OPA/DDA/Construction	7/1/2014	12/31/2014	KDF Communities	Affordable housing project with use of Housing Bonds	Merged Project	5,600,000	N	5,600,000					\$	5,600,000		
76	Crossroads Mixed-Use Housing - RDA Law	OPA/DDA/Construction	7/1/2014	12/31/2014	Rialto Housing Authority	Replacement obligation	Merged Project	-	y						\$	-		
78	E) ENFORCEABLE OBLIGATIONS FUTURE RPTTF FUNDING	Miscellaneous	7/1/2014	12/31/2014	NONE	NONE	Merged Project	-	y						\$	-		
79	Area A COS - Agreement	Miscellaneous	7/1/2014	12/31/2014	Lewis Hillwood Rialto LLC	Option Contract	Merged Project	-	N						\$	-		
83	Highland Channel *	City/County Loans On or Before 6/27/11	7/1/2014	12/31/2014	City of Rialto	Improvement to flood control - appeal denied	Merged Project	-	N						\$	-		
84	2004 HELP Loan	Third-Party Loans	7/1/2014	12/31/2014	CHFA	Housing Loan	Merged Project	1,300,000	N				1,300,000		\$	1,300,000		
85	2005 HELP Loan	Third-Party Loans	7/1/2014	12/31/2014	CHFA	Housing Loan	Merged Project	-	N						\$	-		
86	Regional Benefit Facilities/Industrial*	Miscellaneous	7/1/2014	12/31/2014	County of San Bernardino FC	Obligation to construct flood control	Merged Project	-	N						\$	-		
87	Regional Benefit Facilities/Gateway*	Miscellaneous	7/1/2014	12/31/2014	County of San Bernardino FC	Obligation to construct flood control	Merged Project	-	N						\$	-		
125	SA Asset Holding - Payments/Operation	Property Maintenance	7/1/2014	12/31/2014	Rialto Successor Agency	SA property maintenance, repairs, utilities. Paid from reserve under # 40 from previous ROPS 12-13B.	Merged Project	25,000	N		25,000				\$	25,000		
126	Legal Service - Payments/Operation	Legal	7/1/2014	12/31/2014	Stradling Yocca Carlson	Cover any legal costs for dissolution activity or litigation expenses. Paid from reserve under # 42 from previous ROPS 12-13B.	Merged Project	50,000	N		50,000				\$	50,000		
127	Asset Dissolution - Payments/Operation	Property Dispositions	7/1/2014	12/31/2014	Keyser Marston Associates/Other Vendors	Cover costs to prepare plan and sale assets. Paid from reserve under # 43 from previous ROPS 12-13B.	Merged Project	-	N						\$	-		
128	Audit Services - Payments/Operation	Professional Services	7/1/2014	12/31/2014	White Nelson Diehl Evans LLP	Audit Services. Paid from reserve under # 45 from previous ROPS 12-13B.	Merged Project	-	N						\$	-		

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail**  
**July 1, 2014 through December 31, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K				L	M	N	O	P	
										Funding Source									Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)		RPTTF							
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin					
141	G) HOUSING AUTHORITY ENFORCEABLE OBLIGATIONS	Miscellaneous	7/1/2014	12/31/2014	None	None		-	y						\$	-			
142	Staff Costs -	Admin Costs	7/1/2014	12/31/2014	Rialto Housing Authority	Staff costs to implement Crossroads Housing Project (Project # 75) with use of Housing Bonds.	Merged Project	36,000	N	36,000						36,000			
143	Legal Services - housing successor	Legal	7/1/2014	12/31/2014	SYCR	Legal services to implement Crossroads Housing Project (Project # 75) with use of Housing Bonds.	Merged Project	40,000	N	40,000						40,000			
144	Contract Services - housing successor	Professional Services	7/1/2014	12/31/2014	Keyser Marston	Consultant services to implement Crossroads Housing Project (Project # 75) with use of Housing Bonds.	Merged Project	20,000	N	20,000						20,000			
145	H) NEW PAYMENTS - ROPS 13-14B	Miscellaneous	7/1/2014	12/31/2014	None	None		-	y						\$	-			
146	San Bernardino Ave. Alignment	Improvement/Infrastructure	7/1/2014	12/31/2014	City of Rialto	Road improvements to San Bernardino Avenue between Riverside Avenue and Willow Avenue.	Merged Project	2,326,600	N	2,326,600					\$	2,326,600			
147	Cedar Ave. Alignment	Improvement/Infrastructure	7/1/2014	12/31/2014	City of Rialto	Road improvements to Cedar Avenue between Baseline Avenue and 210 Freeway.	Merged Project	700,000	N	700,000						700,000			
148	Alder Allignment	Improvement/Infrastructure	7/1/2014	12/31/2014	City of Rialto	Road improvement to Alder Avenue between Baseline Avenue and 210 Freeway. Costs to cover consultant fees.	Merged Project	1,000,000	N	1,000,000						1,000,000			
149	Trickleside Alley	Improvement/Infrastructure	7/1/2014	12/31/2014	City of Rialto	Improvements to an existing alley in Downtown West of Riverside Avenue and between Rialto Avenue and First Avenue.	Merged Project	-	y						\$	-			
150	Affordable Housing Project	OPA/DDA/Construction	7/1/2014	12/31/2014	Rialto Housing Authority	Unknown affordable housing project for acquisition and development with existing housing bond funds.	Merged Project	-	y						\$	-			
151	ERAF Ruling Industrial Area Adjustment Demand	Miscellaneous	7/1/2014	12/31/2014	Rialto Unified School District	Adjustments made to FY 2008/09 and FY 2009/10 pass-through payments in Industrial Project Area, per court ruling requiring Post-ERAF calculation.	Merged Project	225,805	N				225,805		\$	225,805			
152	Industrial Project Area Base-Year Adjustment Demand	Miscellaneous	7/1/2014	12/31/2014	Chaffey Community College District	Adjustments made to Base-Year Calculations for Industrial Area pass-through payments adding 1994/95 as Tier 1 and 2004/05 to Tier 2.	Merged Project	1,470	N				1,470		\$	1,470			
153	Industrial Project Area Base-Year Adjustment Demand	Miscellaneous	7/1/2014	12/31/2014	San Bernardino Community College District	Adjustments made to Base-Year Calculations for Industrial Area pass-through payments adding 1994/95 as Tier 1 and 2004/05 to Tier 2.	Merged Project	61,150	N				61,150		\$	61,150			
154	Industrial Project Area Base-Year Adjustment Demand	Miscellaneous	7/1/2014	12/31/2014	San Bernardino County Superintendent of Schools	Adjustments made to Base-Year Calculations for Industrial Area pass-through payments adding 1994/95 as Tier 1 and 2004/05 to Tier 2.	Merged Project	12,171	N				12,171		\$	12,171			
155	Industrial Project Area Base-Year Adjustment Demand	Miscellaneous	7/1/2014	12/31/2014	City of Rialto	Adjustments made to Base-Year Calculations for Industrial Area pass-through payments adding 1994/95 as Tier 1 and 2004/05 to Tier 2.	Merged Project	36,271	N				36,271		\$	36,271			
156	Industrial Project Area Base-Year Adjustment Demand	Miscellaneous	7/1/2014	12/31/2014	Fontana Unified School District	Adjustments made to Base-Year Calculations for Industrial Area pass-through payments adding 1994/95 as Tier 1 and 2004/05 to Tier 2.	Merged Project	9,461	N				9,461		\$	9,461			





**Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I	
		<b>Fund Sources</b>							
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>		
	<b>Cash Balance Information by ROPS Period</b>	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin	<b>Comments</b>	
<b>ROPS 13-14A Actuals (07/01/13 - 12/31/13)</b>									
1	<b>Beginning Available Cash Balance (Actual 07/01/13)</b> Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	35,751,153		455,741	2,784,988	277,173	-		
2	<b>Revenue/Income (Actual 12/31/13)</b> Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013	1,670,908		-	-	561,327	5,573,465		
3	<b>Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13)</b> Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPA's	1,614,716		-	2,784,988	163,437	5,506,146		
4	<b>Retention of Available Cash Balance (Actual 12/31/13)</b> Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A	15,757,821		196,278	-	-	-		
5	<b>ROPS 13-14A RPTTF Prior Period Adjustment</b> Note that the RPTTF amount should tie to column S in the Report of PPAs.	No entry required						67,319	
6	<b>Ending Actual Available Cash Balance</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 20,049,524	\$ -	\$ 259,463	\$ -	\$ 675,063	\$ -		
<b>ROPS 13-14B Estimate (01/01/14 - 06/30/14)</b>									
7	<b>Beginning Available Cash Balance (Actual 01/01/14)</b> (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 35,807,345	\$ -	\$ 455,741	\$ -	\$ 675,063	\$ 67,319		
8	<b>Revenue/Income (Estimate 06/30/14)</b> Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014				-	165,000	8,116,349		
9	<b>Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)</b>				-	165,000	5,372,084		
10	<b>Retention of Available Cash Balance (Estimate 06/30/14)</b> Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B	15,757,821		196,278	-	-	2,811,584		
11	<b>Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)</b>	\$ 20,049,524	\$ -	\$ 259,463	\$ -	\$ 675,063	\$ -		











**Recognized Obligation Payment Schedule 14-15A - Notes**

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
31	Reserve of \$38,147 from ROPS 13-14B, as approved by OB and DOF.
37, 39, 50	Other Funds source is from rents and loan receivables.
75	In ROPS 13-14B, DOF \$5,600,000 of housing bond proceeds (2008 B bond) was approved for the Crossroads Mixed Use Project. The item is continue the approval authority in ROPS 14-15A period and to allow developer to apply for tax credit funding in July 2014.
84	To cover HELP loan obligation of \$1.3 Million due in September 2014.
125-126	Existing reserves from ROPS III to cover possible future obligation costs for dissolution activities.
142-144	Costs for the Crossroads projects (Item # 75) paid from housing bond proceeds (2008 B bond).
146-148	Projects utilizing bond funds known as 2005 Series A, compliance with HSC 34191.4( c ).
151	Items added due to demands received to adjust prior pass-through payments. The request is due to Los Angeles Unified School District vs. Los Angeles County ruling on requiring calculations based on post-ERAF.
152-161	Item added due to Rialto Unified School District request for Industrial Project Area pass-through payment due to base-year adjustment. The additional pass-through payment is for all impacted taxing entities.
162	Item relates to demolition of dilapidated structures at two separate Successor Agency parcels. In ROPS 13-14B, \$20,000 was approved. Total cost is \$27,500. The \$7,500 requested is the difference. Other Fund source is from rents and loan receivables.

## Recognized Obligation Payment Schedule (ROPS 14-15B) - Summary

Filed for the January 1, 2015 through June 30, 2015 Period

**Name of Successor Agency:** Rialto  
**Name of County:** San Bernardino

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>	
<b>A Sources (B+C+D):</b>	<b>\$ 12,259,877</b>
B Bond Proceeds Funding (ROPS Detail)	12,022,877
C Reserve Balance Funding (ROPS Detail)	75,000
D Other Funding (ROPS Detail)	162,000
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 8,844,620</b>
F Non-Administrative Costs (ROPS Detail)	8,673,620
G Administrative Costs (ROPS Detail)	171,000
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 21,104,497</b>

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	8,844,620
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 8,844,620</b>

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	8,844,620
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>8,844,620</b>

Certification of Oversight Board Chairman:  
Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name	Title
/s/	
Signature	Date

**Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail**  
**January 1, 2015 through June 30, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total	
								\$ 300,644,112			\$ 12,022,877	\$ 75,000	\$ 162,000	\$ 8,673,620	\$ 171,000	\$ 21,104,497
1	A) ENFORCEABLE OBLIGATION -	Miscellaneous	1/1/2014	6/30/2014	NONE	NONE		-	Y							-
2	Bond Payments	Miscellaneous	1/1/2014	6/30/2014	NONE	NONE		-	Y							-
3	2003 Series A TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/30/2003	9/1/2027	Union Bank/Trustee	Public Improvement Bonds	Merged Project	-	N							-
4	2005 Series A TAB's - Bonds	Bonds Issued On or Before 12/31/10	6/25/2005	9/1/2035	Union Bank/Trustee	Public Improvement Bonds	Merged Project	40,866,005	N				545,464			545,464
5	2005 Series B TAB's - Bonds	Bonds Issued On or Before 12/31/10	6/25/2005	9/1/2032	Union Bank/Trustee	Housing Bonds	Merged Project	14,028,435	N				227,774			227,774
6	2005 Series C TAB's - Bonds	Bonds Issued On or Before 12/31/10	6/25/2005	9/1/2035	Union Bank/Trustee	Public Improvement Bonds	Merged Project	27,254,068	N				420,680			420,680
7	2008 Series A TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/29/2008	9/1/2037	Union Bank/Trustee	Public Improvement Bonds	Merged Project	77,204,210	N				1,106,304			1,106,304
8	2008 Series B TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/29/2008	9/1/2037	Union Bank/Trustee	Housing Bonds	Merged Project	58,084,250	N				986,813			986,813
9	2008 Series C TAB's - Bonds	Bonds Issued On or Before 12/31/10	4/29/2008	9/1/2037	Union Bank/Trustee	Public Improvement Bonds	Merged Project	42,585,750	N				750,375			750,375
10	Bond Payments Reserves - To ensure sufficient funds to cover bond payments for next period.	Miscellaneous	1/1/2015	6/30/2015	NONE	NONE		-	Y							-
11	2003 Series A TAB's - Bond Reserve	Reserves	1/1/2015	6/30/2015	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project	-	N							-
12	2005 Series A TAB's - Bond Reserve	Reserves	1/1/2015	6/30/2015	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project	260,913	N				260,913			260,913
13	2005 Series B TAB's - Bond Reserve	Reserves	1/1/2015	6/30/2015	Rialto Successor Agency	Housing Bonds - Reserve for next Period	Merged Project	193,471	N				193,471			193,471
14	2005 Series C TAB's - Bond Reserve	Reserves	1/1/2015	6/30/2015	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project	315,238	N				315,238			315,238
15	2008 Series A TAB's - Bond Reserve	Reserves	1/1/2015	6/30/2015	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project	577,956	N				577,956			577,956
16	2008 Series B TAB's - Bond Reserve	Reserves	1/1/2015	6/30/2015	Rialto Successor Agency	Housing Bonds - Reserve for next Period	Merged Project	478,384	N				478,384			478,384
17	2008 Series C TAB's - Bond Reserve	Reserves	1/1/2015	6/30/2015	Rialto Successor Agency	Public Improvement Bonds - Reserve for next Period	Merged Project	385,131	N				385,131			385,131
18	Debt Payment Obligations	Miscellaneous	1/1/2015	6/30/2015	NONE	NONE	Merged Project	-	Y							-
20	2007 COP Reimbursement Agreement	Third-Party Loans	12/4/2007	1/20/2022	City of Rialto	Public Improvement Agreement - Current Period Payment	Merged Project	1,495,594	N				187,482			187,482
22	Enterprise - Agreement	Business Incentive Agreements	5/21/1996	12/31/2016	Enterprise	Sales Tax Rebate Agreement	Merged Project	54,000	N				54,000			54,000
23	Pusan Pipe - Agreement	Business Incentive Agreements	8/11/2009	8/11/2019	Pusan Pipe	Sales Tax Rebate Agreement	Merged Project	50,000	N				50,000			50,000
24	Other Payments	Miscellaneous	7/1/2014	12/31/2014	NONE	NONE	Merged Project	-	Y							-
29	B) ENFORCEABLE OBLIGATION - ADMINISTRATIVE COSTS	Miscellaneous	7/1/2014	12/31/2014	NONE	NONE	Merged Project	-	Y							-
30	Paid From Administrative Allowance Costs Fund	Miscellaneous	1/1/2015	6/30/2015	NONE	NONE	Merged Project	-	Y							-
31	SA Admin Costs - Payments/Operation	Admin Costs	1/1/2015	6/30/2015	Rialto Successor Agency	Staff; legal; consultant; supplies; services; etc.	Merged Project	189,095	N					171,000		171,000
35	SA Admin Costs - Payments/Operation	Admin Costs	1/1/2015	6/30/2015	Rialto Successor Agency	Reserve to cover ROPS 14-15A Admin Costs	Merged Project	-	N							-
36	SA Admin Costs - Payments/Operation	Admin Costs	1/1/2015	6/30/2015	City of Rialto	Cover admin expenses listed below - Other Fund Sources	Merged Project	-	N							-
37	SA Admin Costs - Payments/Operation	Admin Costs	1/1/2015	6/30/2015	City of Rialto	City finance and admin support services	Merged Project	44,433	N			44,433				44,433
39	Bond Servicing - Payment/Operation	Fees	1/1/2015	6/30/2015	Willdan/Union Bank	Trustee Fees/Arbitrage Rebate Services	Merged Project	22,000	N			22,000				22,000
46	Project Management Costs - to cover direct project construction or planning activity, as per Section 34171(b)	Project Management Costs	1/1/2015	6/30/2015	NONE	NONE	Merged Project	-	Y							-
50	Project Management	Project Management Costs	1/1/2015	6/30/2015	Successor Agency	Employee cost manage non-housing project for next period	Merged Project	65,567	N			65,567				65,567
51	C) ENFORCEABLE OBLIGATIONS - PAID BY OTHER SOURCES	Improvement/Infrastructure	1/1/2015	6/30/2015	NONE	NONE	Merged Project	-	Y							-
53	Brownfield Project - Agreement	Professional Services	1/1/2015	6/30/2015	Converse	Consulting services	Merged Project	-	Y							-
58	D) ENFORCEABLE OBLIGATIONS - PAID BY BONDS	Improvement/Infrastructure	1/1/2015	6/30/2015	NONE	NONE	Merged Project	-	Y							-



**Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail**  
**January 1, 2015 through June 30, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
62	Rialto Channel Crossings - Agreement	Improvement/Infrastructure	1/1/2015	6/30/2015	SB County Flood	Improvement to flood control - litigation	Merged Project	-	N						-
63	Cactus Basin #3* - Agreement	Improvement/Infrastructure	1/1/2015	1/1/2015	SB County Flood	Improvement to flood control - litigation	Merged Project		N						-
65	521 N. Rialto Lease Agreement	Improvement/Infrastructure	1/1/2015	6/30/2015	DiGiovanni Family Trust	Part of Metrolink Expansion Project	Merged Project	27,650	N	21,150					21,150
70	Wal-Mart Supercenter Agreement	Improvement/Infrastructure	1/1/2015	6/30/2015	Wal-Mart	Infrastructure Reimbursement Agreement	Merged Project	-	N						-
71	Metrolink Expansion Project - Agreement	Improvement/Infrastructure	1/1/2015	6/30/2015	City of Rialto	Demolition of exist structure to expand Metrolink parking lot.	Merged Project	228,614	N	228,614					228,614
75	Crossroads Mixed-Use Housing* - Agreement.	OPA/DDA/Construction	1/1/2015	6/30/2015	KDF Communities	Affordable housing project with use of Housing Bonds	Merged Project	-	N						-
76	Crossroads Mixed-Use Housing - RDA Law	OPA/DDA/Construction	7/1/2014	12/31/2014	Rialto Housing Authority	Replacement obligation	Merged Project		N						-
78	E) ENFORCEABLE OBLIGATIONS - FUTURE RPTTF FUNDING	Miscellaneous	1/1/2015	6/30/2015	NONE	NONE	Merged Project	-	Y						-
79	Area A COS - Agreement	Miscellaneous	1/1/2015	1/1/2015	Lewis Hillwood Rialto LLC	Option Contract	Merged Project		Y						-
83	Highland Channel *	Improvement/Infrastructure	1/1/2015	1/1/2015	City of Rialto	Improvement to flood control - appeal denied	Merged Project		N						-
84	2004 HELP Loan	Third-Party Loans	1/1/2015	6/30/2015	CHFA	Housing Loan	Merged Project	-	Y						-
85	2005 HELP Loan	Third-Party Loans	1/1/2015	6/30/2015	CHFA	Housing Loan	Merged Project	-	N						-
86	Regional Benefit Facilities/Industrial*	Improvement/Infrastructure	1/1/2015	1/1/2015	County of San Bernardino FC	Obligation to construct flood control	Merged Project		N						-
87	Regional Benefit Facilities/Gateway*	Improvement/Infrastructure	1/1/2015	1/1/2015	County of San Bernardino FC	Obligation to construct flood control	Merged Project		N						-
125	SA Asset Holding - Payments/Operation	Property Maintenance	1/1/2015	6/30/2015	Rialto Successor Agency	SA property maintenance, repairs, utilities. Paid from reserve under # 40 from previous ROPS 12-13B.	Merged Project	25,000	N		25,000				25,000
126	Legal Service - Payments/Operation	Legal	1/1/2015	6/30/2015	Stradling Yocca Carlson	Cover any legal costs for dissolution activity or litigation expenses. Paid from reserve under # 42 from previous ROPS 12-13B.	Merged Project	50,000	N		50,000				50,000
127	Asset Dissolution - Payments/Operation	Property Dispositions	1/1/2015	6/30/2015	Keyser Marston Associates/Other Vendors	Cover costs to prepare plan and sale assets. Paid from reserve under # 43 from previous ROPS 12-13B.	Merged Project	-	N						-
128	Audit Services - Payments/Operation	Professional Services	1/1/2015	1/1/2015	White Nelson Diehl Evans LLP	Audit Services. Paid from reserve under # 45 from previous ROPS 12-13B.	Merged Project		N						-
141	G) HOUSING AUTHORITY ENFORCEABLE OBLIGATIONS	Miscellaneous	1/1/2015	6/30/2015	None	None		-	Y						-
142	Staff Costs -	Admin Costs	1/1/2015	6/30/2015	Rialto Housing Authority	Staff costs to implement Crossroads Housing Project (Project # 75) with use of Housing Bonds.	Merged Project	-	N						-
143	Legal Services - housing successor	Legal	1/1/2015	6/30/2015	SYCR	Legal services to implement Crossroads Housing Project (Project # 75) with use of Housing Bonds.	Merged Project	-	N						-
144	Contract Services - housing successor	Professional Services	1/1/2015	6/30/2015	Keyser Marston	Consultant services to implement Crossroads Housing Project (Project # 75) with use of Housing Bonds.	Merged Project	-	N						-
145	H) NEW PAYMENTS - ROPS 13-14B	Miscellaneous	1/1/2015	6/30/2015	None	None		-	Y						-
146	San Bernardino Ave. Alignment	Improvement/Infrastructure	1/1/2015	1/1/2015	City of Rialto	Road improvements to San Bernardino Avenue between Riverside Avenue and Willow Avenue.	Merged Project	3,289,617	N	3,289,617					3,289,617
147	Cedar Ave. Alignment	Improvement/Infrastructure	1/1/2015	1/1/2015	City of Rialto	Road improvements to Cedar Avenue between Baseline Avenue and 210 Freeway.	Merged Project	4,900,000	N	4,900,000					4,900,000
149	Affordable Housing Project	OPA/DDA/Construction	7/1/2014	12/31/2014	Rialto Housing Authority	Unknown affordable housing project for acquisition and development with existing housing bond funds.	Merged Project	-	N						-
150	Rialto Unified School District Demand	Miscellaneous	1/1/2015	1/1/2015	Rialto Unified School District	Adjustment made to FY 2008/09 and Fy 2009/10 pass-through payments in Industrial Porject Area,per court ruling requiring Post-ERAF caculation.	Merged Project		N						-
151	Chaffey College Demand	Miscellaneous	1/1/2015	1/1/2015	Chaffey Community College District	Adjustment made to FY 2008/09 and Fy 2009/10 pass-through payments in Industrial Porject Area,per court ruling requiring Post-ERAF caculation.	Merged Project		N						-





**Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail**  
**January 1, 2015 through June 30, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K, L, M, N, O				P	
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
175	RHA Administrative Cost Allowance per AB 471	Housing Entity Admin Cost	1/1/2015	6/30/2015	Rialto Housing Authority	Administrative Cost Allowance to housing successor entity per AB 471 at annual maximum of \$150,000	Merged Project	150,000	N				150,000		150,000
176	Appraisal Services	Property Dispositions	1/1/2015	6/30/2015	Rialto Successor Agency	Services to conduct appraisals of SA property in order sale, per approved LRPMP.	Merged Project	30,000	N				30,000		30,000
177	Riverisde/l-10 Interchange	Improvement/Infrastructure	1/1/2015	6/30/2015	City of Rialto/SANBAG	Interchange improvement project. Re-added from #61. See notes	Merged Project	868,799	N	868,799					868,799
178	Pepper Avenue Exension	Improvement/Infrastructure	1/1/2015	6/30/2015	City of Rialto/SANBAG	New street construction. Re-added from #64. See notes	Merged Project	2,614,697	N	2,614,697					2,614,697
179									N						-
180									N						-
181									N						-
182									N						-
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**Recognized Obligation Payment Schedule (ROPS 14-15B) - Report of Cash Balances**

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [https://rad.dof.ca.gov/rad-sa/pdf/Cash\\_Balance\\_Agency\\_Tips\\_Sheet.pdf](https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf).

A	B	C	D	E	F	G	H	I	
Cash Balance Information by ROPS Period		Fund Sources					Comments		
		Bond Proceeds		Reserve Balance		Other			RPTTF
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.			Non-Admin and Admin
<b>ROPS 13-14B Actuals (01/01/14 - 06/30/14)</b>									
1	<b>Beginning Available Cash Balance (Actual 01/01/14)</b>	44,252,392		196,278		2,431,433	79,205	C1 \$8,445,047 of housing bonds added, not inclu	
2	<b>Revenue/Income (Actual 06/30/14)</b> RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014	3,089,619				613,989	8,104,463	G2 includes adjustment of revenue error	
3	<b>Expenditures for ROPS 13-14B Enforceable Obligations (Actual 06/30/14)</b> RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	4,260,492				1,520,452	5,342,912	G3 includes transfers of previous approved costs.	
4	<b>Retention of Available Cash Balance (Actual 06/30/14)</b> RPTTF amount retained should only include the amounts distributed for debt service reserve(s) approved in ROPS 13-14B	15,756,946		196,278		-	2,773,437		
5	<b>ROPS 13-14B RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the self-reported ROPS 13-14B PPA in the Report of PPA, Column S	No entry required							
6	<b>Ending Actual Available Cash Balance</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	27,324,573	-	-	-	1,524,970	67,319		
<b>ROPS 14-15A Estimate (07/01/14 - 12/31/14)</b>									
7	<b>Beginning Available Cash Balance (Actual 07/01/14)</b> (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	43,081,519	-	196,278	2,773,437	1,524,970	67,319	C7 Cash balance decrease is due to Pepper Aver	
8	<b>Revenue/Income (Estimate 12/31/14)</b> RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014		16,515,000			139,500	4,472,139	D8 relates to refinance of 2003 A Bond	
9	<b>Expenditures for ROPS 14-15A Enforceable Obligations (Estimate 12/31/14)</b>	1,670,000	16,515,000	-	2,773,437	1,074,026	4,539,458	G9 includes \$934,526 as surplus to cover payme	
10	<b>Retention of Available Cash Balance (Estimate 12/31/14)</b> RPTTF amount retained should only include the amount distributed for debt service reserve(s) approved in ROPS 14-15A	15,756,946		196,278		-	-	E10 relates to carry-over reserves	
11	<b>Ending Estimated Available Cash Balance (7 + 8 - 9 -10)</b>	25,654,573	-	-	-	590,444	-	<b>Actual cash balance is \$394,166 (G11-E10)</b>	















**APPENDIX J**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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**BAM**

**MUNICIPAL BOND  
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner’s right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner’s rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. “Due for Payment” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “Nonpayment” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “Notice” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “Owner” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

SPECIAL MEMBER

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

1 World Financial Center, 27<sup>th</sup> floor

200 Liberty Street

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

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FOR ADDITIONAL BOOKS: [ELABRA.COM](http://ELABRA.COM) OR (888) 935-2272