CITY OF FIREBAUGH

OVERSIGHT BOARD FOR SUCCESSOR AGENCY
TO THE CITY OF FIREBAUGH REDEVELOPMENT AGENCY
SPECIAL MEETING AGENDA

Location of Meeting: **Firebaugh Community Center**
1655 13th, Firebaugh, CA 93622

Date/Time: **January 10, 2012/10:00 a.m.**

CALL TO ORDER

ROLL CALL
Laura Weyant, Employee of Former RDA Representative
Elsa Lopez, County Board of Supervisor Representative
Craig Knight, County Board of Supervisor Representative
Jack Minnite, City of Firebaugh Mayor's Appointed Representative
Becky Cline, Special District Representative
Russell Freitas, County Superintendent of Schools Representative
Ken Stoppenbrink, Chancellor of Ca Community College Representative

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

At this time any member of the public may address the board on items of interest which are not already on the agenda this evening. You will be permitted a single visit to the podium to state your comments, please state your name and address and limit your comments to three (3) minutes. No action shall be taken on any item not appearing on the agenda.

INFORMATIONAL ITEMS

- **UPDATE REGARDING MEET & CONFER MEETING WITH DEPT. OF FINANCE.**

BUSINESS ITEMS

1. **RESOLUTION NO. OB 12-16 (a) - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH APPROVING A NON-HOUSING DUE DILIGENCE REVIEW PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.5 – SECOND READING.**

   Recommended Action: Oversight Board receives comments and approves Res. No. OB 12-16.

ADJOURNMENT

Certification of posting the Agenda
I declare under penalty of perjury that I am employed by the City of Firebaugh and that I posted this agenda on the bulletin boards at City Hall, January 7, 2012 at 5:00 p.m. by Rita Lozano, Deputy City Clerk.

RESOLUTION NO. OB 12-16 (A)

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF FIREBAUGH APPROVING A NON-HOUSING DUE DILIGENCE REVIEW PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.5

WHEREAS, AB1X26 ("AB 26") was enacted on June 28, 2011, and thereafter upheld by the California Supreme Court, eliminating redevelopment agencies effective on February 1, 2012; and

WHEREAS, as authorized by AB 26, the City of Firebaugh elected to serve as the Successor Agency to the former Redevelopment Agency of the City of Firebaugh; and

WHEREAS, the law requires that certain Successor Agency actions be approved by the Oversight Board, and gives the Oversight Board certain specified powers over Successor Agency actions. Oversight Boards have a fiduciary responsibility to the holder of enforceable obligations and to the taxing entities that benefit from the distribution of property tax and other revenues; and

WHEREAS, on June 27, 2012, the Governor approved additional RDA wind down provisions with the passage of AB 1484; and

WHEREAS, under AB 1484, a Non-Housing Due Diligence Review is required to be conducted by a licensed accountant; and

WHEREAS, On December 3, 2012, the Successor Agency received the Non-Housing Due Diligence Review, completed by a licensed accountant and opened the Due Diligence Review for public comment; and

WHEREAS, the Successor Agency authorized transmittal of the Due Diligence Review of the Non-Housing Funds to the Oversight Board for its review and approval and also directs staff to send the Due Diligence Review to the County Administrative Officer, County Auditor-Controller, State Controller's Office and Department of Finance, as required by Sections 34179.6 and 34179.8(j) of the Health and Safety code, before December 15, 2012; and

WHEREAS, On December 13, 2012, the Oversight Board a held a public meeting to review the Non-Housing Due Diligence Review and opening the required minimum five (5) day public comment period; and

WHEREAS, during the December 13, 2012 Oversight Board meeting, the Oversight Board received the Due Diligence Review and opened the Due Diligence Review for public comment; and

WHEREAS, the Oversight Board will consider the Due Diligence review, all written and oral staff reports regarding same, any written and oral public comments, and any opinions offered by the County Auditor-Controller on the Due Diligence Review.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Firebaugh does hereby resolve as follows:

Section 1. Finds and determines that the foregoing recitals are true and correct.

Section 2. Approves the Non-Housing Due Diligence Review, with any amendments or directions made by the Oversight Board.

Section 3. Directs staff to transmit the Due Diligence Review to the Department of Finance in accordance with the requirements of AB 1484.

The foregoing resolution was introduced at a special meeting of the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Firebaugh held on the 13th day of December, 2012, and was passed and adopted at a special meeting held on the 10th day of January, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:	ATTEST:
______________________	______________________
Chairperson, Oversight Board City of Firebaugh	Secretary, Oversight Board City of Firebaugh

DATE: JANUARY 10, 2013

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO FIREBAUGH REDEVELOPMENT AGENCY

FROM: LAURA WEYANT, CITY MANAGER & PIO MARTIN, FINANCE DIRECTOR
SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY

RE: APPROVING RESOLUTION 12-16 (A) THE NON-HOUSING PORTION OF THE DUE DILIGENCE REVIEW

RECOMMENDATION

Adopt a Resolution of the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency Approving the Non-Housing Portion of the Due Diligence Review and Taking Related Actions Required by Sections 34179.5 and 34179.6 of the Dissolution Act

FISCAL IMPLICATIONS:

The Dissolution Act requires the Oversight Board to convene a public comment session on the non-housing portion of the due diligence review as part of the process to determine how much unobligated cash is available for transfer from the former Firebaugh Redevelopment Agency to affected taxing entities pursuant to the Dissolution Act.

BACKGROUND AND OVERVIEW:

California Health & Safety Code ("H&SC") Section 34719.5 requires the Successor Agency to retain a licensed accountant to conduct a two-part "due diligence review", which determines the unobligated fund balances available for transfer from the former redevelopment agency to affected taxing agencies. The first part of the review pertains to the Low and Moderate Income Housing Fund and has been completed. The second part of the review will focus on non-housing funds and is due on December 15, 2012. The oversight board has until January 15, 2012 to complete and transmit the non-housing portion of the due diligence review.

Selection of Licensed Accountant

H&SC Section 34179.5(a) provides two options for successor agencies to employ a licensed accountant: they may select one and obtain approval from the county auditor-controller, or have the county auditor-controller perform this function. The City of Firebaugh selected with the approval of the Fresno County Auditor-Controller ("CAC") the firm of Bryant L. Jolley to complete the due diligence reviews for the Successor Agency. The CAC approved the Successor Agency's selection on July 30, 2012.

AB 1484 provides no funding source for the Successor Agency to pay for these accounting tasks and reports. The cost of the due diligence review was included on the approved ROPS III as a separate line-item from the Successor Agency's administrative allowance and is pending review by the DOF.

Legal Requirements and Agreed Upon Procedures for the Due Diligence Review

Under H&SC Section 34179.5, the due diligence reviews require the independent accountant to reconcile assets, balances and liabilities with previous reports made to the State. Further, this review includes valuation of cash and cash equivalents (such as LAIF deposits), and obligations. This may also include physical assets, land, records, and equipment.

The review process requires several steps. If the Successor Agency fails to pay or transfer unobligated cash balances as required, DOF will cause the obligated amount to be deducted from sales and use taxes and/or property taxes that are due to the City as the sponsoring community.

Key dates include the following for both reviews:

DUE DILIGENCE REVIEW SCHEDULE AND DEADLINES

Step	Item	Housing Review	Non-housing Review
A	Due Diligence Review Due from Successor Agency to Oversight Board	October 1, 2012	December 15, 2012
B	Oversight Board Deadline to Conduct Public Comment Session, Approve and Submit Due Diligence Review	October 15, 2012	January 15, 2013
C	DOF Deadline to Issue "Finding of Completion"	November 9, 2012	April 1, 2013
D	Successor Agency Deadline to Request Meet and Confer with DOF about Reviews	Five (5) Days of DOF Action, no Later than November 16, 2012	Five (5) Days of DOF Action, no Later than April 6, 2013
E	DOF shall confirm or modify its Finding of Completion	Within 30 days of the request to meet and confer	Within 30 days of the request to meet and confer
F	Successor Agency Deadline to Make Transfers to County Auditor-Controller based on DOF Findings	Five (5) Days of DOF's Finding of Completion (Step C, or Step E if a meet and confer session is held)	Five (5) Days of DOF's Finding of Completion (Step C, or Step E if a meet and confer session is held)

Findings

Enclosed with the attached resolution is the non-housing portion of the Due Diligence Review. Bryant Jolley reviewed cash and noncash balances, expenditures, revenues and transfers prior to and following dissolution on February 1, 2012. In general, the activities noted in the review reflect transactions associated with transferring all housing & non-housing assets to the Successor Agency on February 1, 2012.

As required by the Dissolution Act, the Oversight Board must meet not less than two times regarding the report: (1) at one meeting to receive the report and convene a public comment session (December 13, 2012 agenda item), and (2) at a second meeting, scheduled for January 10, 2013 to consider the public comments and the results/opinions of the CAC to the report and review (if any), consider approval of the non-housing due diligence review, and if approved authorize transmittal of the report to the CAC, SCO and DOF not later than December 15, 2012 for review and final determination by the DOF. As part of the second meeting, the Oversight Board will consider authorizing the successor agency to retain assets or funds pursuant to H&SC Section 34179.6(c), such as those that are legally or contractually restricted, needed to satisfy enforceable obligations, and non-cash assets.

FINDINGS AND ALTERNATIVES:

The alternatives available to the Oversight Board include:

1. Adopt a Resolution of the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency Receiving and Convening a Public Comment Session of the Non-Housing Portion of the Due Diligence Review and Taking Related Actions Required by Sections 34179.5 and 34179.6 of the Dissolution Act;

2. Do not adopt a Resolution of the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency Receiving and Convening a Public Comment Session of the Non-Housing Portion of the Due Diligence Review and Taking Related Actions Required by Sections 34179.5 and 34179.6 of the Dissolution Act; or

3. Provide staff with alternative direction.

BRYANT L. JOLLEY
CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A.
Ryan P. Jolley C.P.A.
Darryl L. Smith C.P.A.
Travis B. Evenson

Oversight Board of the Successor Agency
For the City of Firebaugh

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the minimum required agreed-upon procedures enumerated in the Attachment A, which was agreed to by the California State Controller's Office, Department of Finance, solely to assist you in ensuring that the dissolved redevelopment agency is complying with its statutory requirements with respect to AB 1484. Management of the successor agency is responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the minimum required agreed-upon procedures as set forth in Attachment A.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in the Attachment A. Accordingly we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Oversight Board and the State of California and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

November 29, 2012

901 "N" STREET, SUITE 104 FIREBAUGH, CALIFORNIA 93622 PHONE 559.659.3045 FAX 559.659.0615

ATTACHMENT A
RDA FUNDS (EXCLUDING LOW-MODERATE HOUSING) REVIEW

For each dissolved redevelopment agency, but only as it relates to all RDA funds excluding the Low-Moderate Housing Fund, perform the following:

1. Ascertain the dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

   Conclusion: See Exhibit A

2. Ascertain the dollar value of assets, and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency, or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

   Conclusion: Items 2 through 6 on Exhibit D (Assets that are not cash or cash equivalents) were transferred from the RDA to the City in March 2011. However, all these assets were returned to the RDA in January 2012. As such, they are included in the Statement of RDA Assets at February 1, 2012 (Exhibit A).

3. The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

   Conclusion: There were no applicable transfers.

4. The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010-11 and 2011-12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009-10 fiscal year.

   Conclusion: See Exhibit F

5. A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:

   (A) A statement of the total value of each fund (excluding Low- Moderate Housing Fund) as of June 30, 2012.

   Conclusion: See Exhibit B

6. An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

   Conclusion: See Exhibit C

7. An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing related assets.

   Conclusion: See Exhibit D

8. An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligations. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenues to pay the specified obligations.

   Conclusion: Although the successor agency believes that future revenues may not be sufficient to fund all enforceable obligations, there are no available funds for retention. Thus, no schedule is provided.

9. An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

   Conclusion: No balances are available for retention relating to the 2012-2013 ROPS payment.

10. The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

    Conclusion: See Exhibit E.

EXHIBIT A
Firebaugh Redevelopment Successor Agency
RDA Assets (Excluding Low-Moderate Housing) on February 1, 2012

Total RDA assets (excluding low-moderate housing assets) transferred to the Successor Agency on February 1, 2012, consisted of the following:

Restricted trustee cash	$1,334,633
Real Estate	1,405,968
	$ 2,740,601

EXHIBIT B
Firebaugh Redevelopment Successor Agency
RDA Assets (Excluding Low-Moderate Housing) at June 30, 2012

Restricted trustee cash	$ 1,160,844
Real Estate	1,405,968
Total Assets	$ 2.566.812

EXHIBIT C
Legally Restricted Assets by Debt Covenants

The Series 2005 Series A and B tax allocation bonds issued on November 1, 2005, requires any unspent bond proceeds to, after completion of all projects, to be placed in a Surplus Account. After replenishing other accounts as needed, funds in the Surplus Account are to be used solely for debt retirement. At June 30, 2012, $1,160,844 in debt service reserves/unexpended bond proceeds was still available. The City has projects in the initial stages which the funds will be used for if the projects continue to proceed. If not, then the funds, in accordance with the indenture will be used for debt retirement only. Copies of the significant pages from the indenture are included herewith.

ARTICLE III

Deposit And Application Of Proceeds Of 2005 Series A Bonds; Issuance Of Parity Debt

Section 3.01. Issuance of 2005 Series A Bonds. Upon the execution and delivery of this Indenture, the Agency shall execute and deliver 2005 Series A Bonds in the aggregate principal amount of Three Million Seven Hundred Seventy Thousand Dollars ($3,770,000) to the Trustee and the Trustee shall authenticate and deliver the 2005 Series A Bonds to the Original Purchaser upon receipt of a Request of the Agency therefor.

Section 3.02. Deposit and Application of Proceeds. On the Closing Date, the proceeds of sale of the 2005 Series A Bonds shall be paid to the Trustee and deposited by the Trustee as follows:

(a) The Trustee shall deposit the amount of $135,584.07 in the Costs of Issuance Fund.

(b) The Trustee shall deposit the amount of $301,865.93 in the 2005 Series A Subaccount of the Reserve Account, being the amount of the Reserve Requirement allocable to the 2005 Series A Bonds.

(c) The Trustee shall transfer $1,029,900.00 to the Escrow Bank for deposit by the Escrow Bank pursuant to the 1993 Bonds Escrow Deposit and Trust Agreement providing for the refunding and defeasance of the 1993 Bonds.

(d) The Trustee shall transfer $1,658,400.00 to the Escrow Bank for deposit by the Escrow Bank pursuant to the 1996 Bonds Escrow Deposit and Trust Agreement providing for the refunding and defeasance of the 1996 Bonds.

(e) The Trustee shall deposit the remaining amount of proceeds of the 2005 Series A Bonds, namely $550,000.00, in the Redevelopment Fund.

Section 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund", which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Request of the Agency stating (a) the person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Request of the Agency. Each such Request of the Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the earlier of (i) May 1, 2006, or (ii) the date of receipt by the Trustee of a Request of the Agency therefor, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Agency for deposit in the Redevelopment Fund.

Section 3.04. Redevelopment Fund; Low and Moderate Income Housing Account. (a) There shall be established with respect to the Redevelopment Project a separate and segregated fund to be known as the "Firebaugh Redevelopment Project Redevelopment Fund" (the "Redevelopment Fund"), which the Trustee shall hold and maintain. The moneys in the Redevelopment Fund shall be withdrawn by the Trustee from time to time and transferred to the Agency upon submission of a Written Request of the Agency stating that such withdrawal and transfer is proper under this Section 3.04(a). The moneys in the Redevelopment Fund shall be withdrawn and used by the Agency in the manner provided by the Law solely for the purpose of aiding in financing redevelopment activities with respect to the Redevelopment Project, including, without limitation, the payment of any unpaid Costs of Issuance. The Agency covenants that no funds on deposit in the Redevelopment Fund shall be applied for any purpose not authorized by the Law.

(b) Pursuant to Section 33334.3 of the Redevelopment Law, the Agency has heretofore established the Low and Moderate Income Housing Fund. There is hereby established a separate account to be known as the "Low and Moderate Income Housing Account", which shall be held and maintained by the Trustee and which shall be deemed to constitute a part of the Low and Moderate Income Housing Fund. Amounts on deposit in the Low and Moderate Income Housing Account shall be derived from the proceeds of the 2005 Series A Bonds, if any, and any Parity Debt, deposited therein pursuant to the applicable Supplemental Indenture, and from earnings on the investment and reinvestment of such proceeds. The moneys in the Low and Moderate Income Housing Account shall be withdrawn by the Trustee from time to time and transferred to the Agency upon submission of a Written Request of the Agency stating that such withdrawal and transfer is proper under this Section 3.04(b). Each such Request of the Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. The Agency shall only request transfers of moneys from the Low and Moderate Income Housing Account for the purpose of paying the costs of low and moderate income housing projects which meet the requirements of Sections 33334.2 and 33334.3 of the Redevelopment Law including, without limitation, the payment of any unpaid Costs of Issuance allocable to moneys deposited in the Low and Moderate Income Housing Account. The Agency shall comply with all applicable provisions of the Redevelopment Law relating to the approval of such projects and the expenditure of the proceeds of the 2005 Series A Bonds and any Parity Debt to finance such projects.

Section 3.05. Issuance of Parity Debt. In addition to the 2005 Series B Bonds (which are not subject to the following conditions precedent), the Agency may issue or incur Parity Debt in such principal amount as shall be determined by the Agency, pursuant to a Supplemental Indenture adopted or entered into by the Agency. The Agency may issue or incur such Parity Debt subject to the following specific conditions precedent:

(a) The Agency shall be in compliance with all covenants set forth in this Indenture and all Supplemental Indentures.

(b) The Tax Revenues estimated to be received for the then current Bond Year based on the most recent assessed valuation of property in the Redevelopment Project as evidenced in the written records of the County, plus (at the option of the Agency) the Additional Revenues, shall be as follows:

(i) at least equal to one hundred thirty-five percent (135%) of Maximum Annual Debt Service on all Bonds which will be Outstanding immediately following the issuance of such Parity Debt, if the largest secured property taxpayer in the Redevelopment Project owns thirty percent (30%) or more of the assessed valuation of properties in the Redevelopment Project;

(ii) at least equal to one hundred twenty-five percent (125%) of Maximum Annual Debt Service on all Bonds which will be Outstanding immediately following the issuance of such Parity Debt, if the largest secured property taxpayer in the Redevelopment Project owns twenty-five percent (25%) or more but less than thirty percent (30%) of the assessed valuation of properties in the Redevelopment Project; or

(iii) at least equal to one hundred twenty percent (120%) of Maximum Annual Debt Service on all Bonds which will be Outstanding immediately following the issuance of such Parity Debt, if the largest secured property taxpayer in the Redevelopment Project owns less than twenty-five percent (25%) of the assessed valuation of properties in the Redevelopment Project.

For purposes of the calculation of Tax Revenues under this paragraph (b), the tax rate for the property in the Redevelopment Project shall be assumed to be one percent (1%).

(c) The Supplemental Indenture providing for the issuance of such Parity Debt shall provide that interest thereon shall not be payable on any dates other than June 1 and December 1, and principal thereof shall be payable on December 1 in any year in which principal is payable.

(d) The Supplemental Indenture providing for the issuance of such Parity Debt shall provide for the deposit into the Reserve Account of an amount required to cause the balance therein to equal the full amount of the Reserve Requirement (which may be maintained in whole or in part in the form of a Qualified Reserve Account Credit Instrument as provided herein).

(e) The issuance of such Parity Debt shall not cause the Agency to exceed any applicable Plan Limitations, taking into account all payments due under the Pass-Through Agreements.

(f) The Agency shall deliver to the Trustee a Certificate of the Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth in the foregoing subsections (a), (b), (c), (d) and (e) of this Section 3.05 have been satisfied.

Section 3.06. Issuance of Subordinate Debt. In addition to the 2005 Series A Bonds and any Parity Debt, from time to time the Agency may issue or incur additional Subordinate Debt in such principal amount as shall be determined by the Agency, provided that the issuance of such Subordinate Debt shall not cause the Agency to exceed any applicable Plan Limitations.

Section 3.07. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the Redevelopment Project or upon the performance by any person of its obligation with respect to the Redevelopment Project.

EXHIBIT D
Assets that Are Not Cash or Cash Equivalents

Properties purchased for resale

Description Address	APN		Cost
1. Land – 1977 Birch Drive	007-100-25ST	(Appraised value)	$ 30,000
2. Land – 1415 14th Street	008-132-07		211,116
3. Commercial land – 1185 N Street	008-074-10		181,017
4. Commercial property – 1284 N Street	008-080-42		516,654
5. Commercial property – 1320 N Street	008-140-35		391,961
6. Land – 1458 11th Street	008-074-01		75,220
			$1,405,968

EXHIBIT E
Summary of Balances Available for Allocation to Affected Taxing Entities
RDA Funds (Excluding Low-Moderate Housing)

Total amount of assets held by the successor agency as of June 30, 2012	$ 2,566,812
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist	-0-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments	(1,160,844)
Less assets that are not cash or cash equivalents	(1,405,968)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations)	-0-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year	-0-
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance (deducted on prior Low-Moderate Housing Review)	-0-
Amount to be remitted to county for disbursement to taxing entities	$ -0-

EXHIBIT F
July 1, 2009 to June 30, 2012
Expenditures and Revenues and Fund Reconciliation

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
Assets (modified accrual basis)				
Cash and investments	$ (205,545)	$ (780,336)	$ 177,638	$ -
Restricted cash and investments	3,268,589	1,334,633	1,334,634	1,338,483
Deposit	2,000	-	-	-
Interest receivable	372	-	-	-
Notes receivable	350,000	350,000	-	-
Land held for resale	668,797	-	1,863,649	1,863,649
Total Assets	$ 4,084,213	$ 904,297	$ 3,375,921	$ 3,202,132
Liabilities (modified accrual basis)				
Accounts payable and accrued expenses	$ 28,326	$ 167,619	$ -	116,267
Total Liabilities	$ 28,326	$ 167,619	$ -	$ 116,267
Equity	$ 4,055,887	$ 736,678	3,375,921	3,085,865
Total Liabilities + Equity	$ 4,084,213	$ 904,297	$ 3,375,921	$ 3,202,132
Total Revenues:	$ 1,626,934	$ 1,349,732	$ 640,792	$ 61,108
Total Expenditures/Expenses:	$ 1,707,170	$ 2,077,898	$ 604,747	$ 351,164
Total Transfers:	$ (71,616)	$ (2,591,043)	$ 2,603,198	$ -
Net change in equity	$ (151,852)	$ (3,319,209)	$ 2,639,243	$ (290,056)
Beginning Equity:	$ 4,207,739	$ 4,055,887	$ 736,678	$ 3,375,921
Ending Equity:	$ 4,055,887	$ 736,678	$ 3,375,921	$ 3,085,865
Other Information (show year end balances for all three years presented):				
Capital assets as of end of year	$ -	$ -	$ -	$ -
Long-term debt as of end of year	$ 6,930,000	$ 6,825,000	$ 6,715,000	$ 6,715,000