

**REGULAR MEETING OF THE
OVERSIGHT BOARD
For the Successor Agency to the former
Redevelopment Agency of the City of Redlands**

Members of the Board:

Paul Foster, Chairperson, appointed by the Mayor of the City of Redlands
Oscar Orci, Vice Chairperson, appointed by the Mayor, representing former redevelopment agency employees
Donna Ferracone, appointed by Chancellor of California Community Colleges
Gary McBride, appointed by County Board of Supervisors, representing the public
Ken Morse, appointed by County Superintendent of Education
Cindy Saks, appointed by County Flood Control District
David Wert, appointed by County Board of Supervisors

A G E N D A

The regular meeting of the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Redlands is at the date and time noted below in the City Council Chambers, Civic Center, 35 Cajon Street, Redlands, California, on:

**THURSDAY, AUGUST 18, 2016
4:00 P.M.**

Anyone desiring to speak at this meeting is encouraged, but not required, to turn in a "Speaker Sign-up Sheet." Forms are available prior to the meeting date in the Development Services Department, 35 Cajon Street, Suite 20 or in the City Council Chambers during the meeting. Speakers are limited to three (3) minutes each. Speakers may not "donate" their time to others.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Jason Montgomery of Municipal Utilities & Engineering Department, 909-798-7584 x5. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

NOTE: Any writings or documents distributed to a majority of the Oversight Board regarding an open session agenda item less than 72 hours before this meeting are available for public inspection at the Development Services Department.

- I. **CALL TO ORDER AND PUBLIC COMMENT PERIOD - 3 MINUTES**
(At this time, the public has the opportunity to address the Oversight Board on any item of interest within the subject matter jurisdiction of the Oversight Board that does not appear on this agenda. The Oversight Board may not discuss or take any action on any public comment made, except that the Oversight Board members or Successor Agency staff may briefly respond to statements made or questions posed by members of the public)

II. CONSENT CALENDAR/APPROVAL OF MINUTES

A. Consideration to adopt Resolution No. OB 2016-057; approval of the consent calendar for the August 18, 2016 Regular Meeting for the following matters:

i. Minutes of the May 19, 2016 Regular Meeting

III. COMMUNICATIONS - None

IV. NEW BUSINESS

A. Consideration of Resolution No. OB 2016-056 of the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Redlands approving an arbitrage rebate payment, and adopting an amendment to the Recognized Obligation Payment Schedule for Fiscal Year 2016-17.

V. OLD BUSINESS - None

VI. ADJOURNMENT



ROBERT D. DALQUEST, AICP
Assistant Development Services Director
Successor Agency Staff

REQUEST FOR OVERSIGHT BOARD ACTION

SUBJECT: CONSIDERATION OF RESOLUTION NO. OB 2016-056 OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CTY OF REDLANDS APPROVING PAYMENT OF AN ARBITRAGE REBATE PAYMENT, INTEREST AND PENALTY AS AN ENFORCEABLE OBLIGATION AND ADOPTING AN AMENDMENT TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR FISCAL YEAR 2016-17

MOTION:

"I move approval of Resolution No. OB 2016-056."

RECOMMENDATION:

The Successor Agency to the Redevelopment Agency of the City of Redlands is scheduled to consider the subject request at a special meeting on August 16, 2016. Staff will convey the Successor Agency's action to the Oversight Board at the meeting on August 18, 2016.

DISCUSSION:

The former Redevelopment Agency of the City of Redlands (the "Redevelopment Agency") issued several series of Tax Allocation Bonds in 1998, 2003 and 2007 secured by tax increment and low and moderate income housing revenues (collectively, the "Prior Bonds"). On March 16, 2016, the Successor Agency issued its Tax Allocation Refunding Bonds, Series 2016A and Taxable Tax Allocation Refunding Bonds, Series 2016B (collectively, the "2016 Bonds") to refund the outstanding Prior Bonds in their entirety.

In connection with the refunding of the Tax Allocation Refunding Bonds, Series 1998A (the "1998 Bonds") by the Redevelopment Agency of the City of Redlands for the Redlands Redevelopment Project, BLX Group, LLC calculated the final arbitrage rebate payment owed by the Successor Agency as required by the 1998 Indenture and the Internal Revenue Code. Following the refunding of the 1998 Bonds, BLX Group, LLC informed the Successor Agency that an arbitrage rebate payment was due to the Internal Revenue Service (the "Service") in the amount of \$316,344.21. The arbitrage rebate payment is the result of the redemption of an investment that earned more than the bond yield. The excess earnings are required to be rebated to the Service.

On April 27, 2016, when the Successor Agency was notified of the arbitrage rebate amount, the Dissolution Act prohibited the Successor Agency from making any

payments that were not previously included on a Recognized Obligation Payment Schedule ("ROPS") approved by the Oversight Board and the California Department of Finance ("DOF"). Therefore, the Dissolution Act prohibited the Successor Agency from making this payment to the Service by the May 24, 2016 due date.

The Successor Agency will also be required to pay interest on the rebate amount accruing from the payment due date of May 24, 2016 and may be required to pay a penalty equal to 50% of the rebate amount. If the arbitrage rebate and accrued interest are paid to the Service within 180 days of the May 24 due date, the Service may waive the penalty. As used in this report, the arbitrage rebate amount, accrued interest and penalty are referred to collectively as the "Rebate Payment."

Under the Dissolution Act, before the Successor Agency makes the Rebate Payment, the Oversight Board and DOF must approve the Rebate Payment as an enforceable obligation and an amendment to the ROPS 16-17 to add the Rebate Payment as an enforceable obligation payable during Fiscal Year 2016-17. The Dissolution Act permits one amendment to each annual ROPS. The ROPS amendment must be in an electronic format prescribed by DOF. The amendment form was just released by the DOF in mid-July.

To enable the Successor Agency to make the Rebate Payment, the Oversight Board is requested to approve the Rebate Payment as an enforceable obligation and approve the amendment to ROPS 16-17 submitted herewith.

The proposed Resolution would authorize the Successor Agency Executive Director to take all actions necessary to authorize payment of the Rebate Payment to the Service, including without limitation obtaining DOF approval of the Rebate Payment as an enforceable obligation, obtaining DOF approval of the amendment to ROPS 16-17 submitted herewith and submitting the Rebate Payment and related documentation to the Service in accordance with the 1998 Indenture and the Internal Revenue Code, as applicable.

FISCAL IMPACT:

The Rebate Payment includes (1) the arbitrage rebate amount of \$316,344.21, (2) an interest component calculated in accordance with the Internal Revenue Code at the time the arbitrage rebate payment is made, currently 3% or \$5,580.04 if paid by October 31, 2016, and (3) a penalty calculated at one half the arbitrage rebate amount plus interest on the penalty amount. The Service may grant a waiver of the penalty if the Successor Agency can provide documentation that it was not willfully negligent in failing to make a timely payment within 180 days of the rebate due date. The Rebate Payment will be made using Redevelopment Property Tax Trust Funds (RPTTF) requested pursuant to the attached amendment to ROPS 16-17, subject to Oversight Board and DOF approval.

Prepared by:



ROBERT D. DALQUEST
Assistant Development Services Director,
Successor Agency to the Redevelopment
Agency

Recommended by:



N. ENRIQUE MARTINEZ
Executive Director,
Successor Agency to the Redevelopment
Agency

Concurrence by:



TINA KUNDIG
Finance Director,
Successor Agency to the Redevelopment
Agency

FOR

Concurrence by:



DANIEL J. McHUGH
General Counsel,
Successor Agency to the Redevelopment
Agency

ATTACHMENTS:

1. Resolution No. OB 2016-056 – Approval of Rebate Payment, Amended ROPS 2016-17
2. Resolution No. OB 2016-057 – Approval of Consent Calendar
3. Minutes of May 19, 2016
4. Amended ROPS 2016-17
5. BLX Report on Arbitrage Rebate

ATTACHMENT NO. 1

**RESOLUTION NO. OB 2016-056
ARBITRAGE PAYMENT / AMENDED
ROPS 2016-17**

RESOLUTION NO. OB 2016-056

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS APPROVING PAYMENT OF AN ARBITRAGE REBATE PAYMENT, INTEREST AND PENALTY AS AN ENFORCEABLE OBLIGATION AND ADOPTING AN AMENDMENT TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR FISCAL YEAR 2016-17

RECITALS

WHEREAS, the Redevelopment Agency of the City of Redlands (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) (the "Law"), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, the Prior Agency has previously issued its Redevelopment Agency of the City of Redlands Redlands Redevelopment Project, Tax Allocation Refunding Bonds, Series 1998A (the "1998 Bonds"); and

WHEREAS, the Prior Agency has previously issued its Redevelopment Agency of the City of Redlands Redlands Redevelopment Project, Tax Allocation Bonds, Series 2003A (the "2003 Bonds"); and

WHEREAS, the Prior Agency has previously issued its Redevelopment Agency of the City of Redlands Redlands Redevelopment Project Area, Tax Allocation Bonds, Taxable Series 2007A (the "2007 Bonds"; and, together with the 1998 Bonds and the 2003 Bonds, the "Prior Bonds"); and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

WHEREAS, on November 1, 2011, the City Council of the City of Redlands (the "City") approved Resolution No. 7089 electing to serve as the Successor Agency to the former Redevelopment Agency of the City of Redlands (the "Successor Agency") pursuant to Section 34173 of the Health and Safety Code; and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the dissolution of the Prior Agency as of February 1, 2012; and

WHEREAS, the Prior Agency, including its redevelopment powers, assets and obligations, was transferred on February 1, 2012 to the Successor Agency to the Redevelopment Agency of the City of Redlands (the "Successor Agency"); and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund the bonds or other indebtedness of the Prior Agency to provide savings to the Successor Agency, provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, on March 16, 2016, the Successor Agency issued its Tax Allocation Refunding Bonds, Series 2016A and Taxable Tax Allocation Refunding Bonds, Series 2016B (collectively, the "2016 Bonds") to refund the outstanding Prior Bonds in their entirety; and

WHEREAS, following the refunding of the 1998 Bonds, BLX Group, LLC, retained to perform the arbitrage calculations on the 1998 Bonds, informed the Successor Agency that an arbitrage rebate payment is due to the Internal Revenue Service (the "Service") in the amount of \$316,344.21 resulting from the refunding of the 1998 Bonds (together with interest and penalties that may become due to the Service, the "Rebate Payment"); and

WHEREAS, the Dissolution Act prohibits the Successor Agency from making payments except as included on a Recognized Obligation Payment Schedule ("ROPS") approved by the Oversight Board and the California Department of Finance ("DOF"); and

WHEREAS, the Rebate Payment is not included on the ROPS for Fiscal Year 2016-17 ("ROPS 16-17"); therefore the Successor Agency must amend ROPS 16-17 to include the Rebate Payment; and

WHEREAS, in accordance with the Internal Revenue Code, the provisions of the Indenture requiring the Successor Agency to pay the Rebate Payment survive the refunding of the 1998 Bonds; therefore, the Successor Agency's obligation to pay the Rebate Payment constitutes an enforceable obligation under the Dissolution Act; and

WHEREAS, the Oversight Board desires to direct the Executive Director of the Successor Agency and his authorized designees to take all actions necessary to authorize payment of the Rebate Payment to the Service, including without limitation obtaining DOF approval of the Rebate Payment as an enforceable obligation, obtaining DOF approval of an amendment to ROPS 16-17 in substantially the form submitted herewith and submitting the Rebate Payment and related documentation to the Service in accordance with the 1998 Indenture and the Internal Revenue Code, as applicable.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Oversight Board as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34177.

Section 3. The Oversight Board hereby finds and determines, based on all evidence in the record before the Oversight Board, that the Rebate Payment is required by the 1998 Indenture and is therefore an enforceable obligation of the Successor Agency.

Section 4. The Oversight Board hereby approves the Rebate Payment as an enforceable obligation, approves the ROPS amendment submitted to the Oversight Board herewith, and authorizes and directs the Executive Director of the Successor Agency to take all actions necessary to authorize payment of the Rebate Payment to the Service, including without limitation obtaining DOF approval of the Rebate Payment as an enforceable obligation, obtaining DOF approval of the ROPS amendment submitted herewith, and submitting the Rebate Payment and related documentation to the Service in accordance with the 1998 Indenture and the Internal Revenue Code, as applicable.

Section 5. The Oversight Board hereby approves the amended Recognized Obligation Payment Schedule as presented by staff that lists enforceable obligations of the former redevelopment agency for the period of January 1, 2017 through June 30, 2017. The Oversight Board hereby authorizes and directs the Executive Director of the Successor Agency to take all actions necessary to obtain DOF approval of such amendment to ROPS 16-17.

Section 6. The Oversight Board hereby finds and determines that the amendment to ROPS 16-17 presented herewith is necessary to enable the Successor Agency to make the Rebate Payment.

Section 7. This Resolution shall take effect immediately upon its adoption.

IN WITNESS WHEREOF, this Resolution is adopted and approved the 18th day of August, 2016.

ADOPTED, SIGNED AND APPROVED this 18th day of August, 2016.

**Paul W. Foster, Chairperson
Oversight Board of Successor Agency
To Redevelopment Agency**

ATTEST:

**Linda McCasland
Oversight Board Secretary**

ATTACHMENT NO. 2

**RESOLUTION NO. OB 2016-057
APPROVAL OF CONSENT CALENDAR**

RESOLUTION NO. OB 2016-057

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS
APPROVING THE CONSENT CALENDAR FOR THE AUGUST 18, 2016
OVERSIGHT BOARD MEETING

WHEREAS, the Oversight Board to the Successor Agency to the former Redevelopment Agency of the City of Redlands (the "Oversight Board") has taken up for consideration the consent calendar for the August 18, 2016 meeting of the Oversight Board; and

WHEREAS, Section 34179(e) of the Health and Safety Code requires all actions by the Oversight Board to be taken by resolution;

NOW, THEREFORE, BE IT RESOLVED, BY the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Redlands as follows:

Section 1. The Oversight Board hereby approves the consent calendar for the August 18, 2016 meeting of the Oversight Board which consists solely of the minutes for the Board's May 19, 2016 regular meeting.

Section 2. The Secretary for the Oversight Board shall certify to the adoption of this Resolution.

Section 3. Pursuant to California Health and Safety Code section 34179, all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED and ADOPTED at a regular meeting of the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Redlands held this 18th day of August, 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Paul W. Foster, Chairperson
Oversight Board of Successor Agency
To Redevelopment Agency

ATTEST:

Linda McCasland
Oversight Board Secretary

ATTACHMENT NO. 3

MINUTES OF MAY 19, 2016 MEETING

Minutes of the Regular meeting of the Oversight Board for the Successor Agency of the Former Redevelopment Agency of the City of Redlands held in the Council Chambers, 35 Cajon Street, on May 19, 2016 at 4:00 P.M.

PRESENT: Paul Foster, Chairman
Donna Ferracone, Board Member
Gary McBride, Board Member
Cindy Saks, Board Member

ABSENT: All Board Members were in attendance, with the exception of Vice Chairman Oscar Orci, Board Member Ken Morse, and Board Member David Wert who were excused.

STAFF: Tina Kundig, Finance Director
James Garland, Principal Accountant/Internal Auditor
Mike Nelson, Economic Development Manager

I. CALL TO ORDER AND PUBLIC COMMENT PERIOD - 3 MINUTES

(At this time, the public has the opportunity to address the Oversight Board on any item of interest within the subject matter jurisdiction of the Oversight Board that does not appear on this agenda. The Oversight Board may not discuss or take any action on any public comment made, except that the Oversight Board members or Successor Agency staff may briefly respond to statements made or questions posed by members of the public)

Chairman Paul Foster opened up the Public Comment Period. There were no comments forthcoming and the Public Comment Period was closed.

II. CONSENT CALENDAR/APPROVAL OF MINUTES

A. Consideration to adopt Resolution No. OB 2015-055; approval of the consent calendar for the May 19, 2016 Regular Meeting for the following matters:

i. Minutes of the January 21, 2015 Regular Meeting

Chairman Foster opened up the Consent Calendar. There were no comments forthcoming and the Consent Calendar was closed.

MOTION

It was moved by Board Member Donna Ferracone, seconded by Board Member Cindy Saks, and carried on a 4-0-3 vote (Vice Chairman Orci, Board Member Morse and Board Member Wert absent) that the Oversight Board approve Resolution No. OB 2015-055.

III. COMMUNICATIONS-None

IV. NEW BUSINESS

- A. Consideration of Resolution No. OB 2016-054 approving the conveyance of Assessor's Parcel Numbers (APNs) 0169-272-027, 0169-281-19, 0169-281-23 and 0170-191-39 to the City of Redlands.

Economic Development Manager Mike Nelson gave a brief overview and report on the conveyance of the APNs.

Chairman Foster opened up the Hearing. There were no comments forthcoming and the Hearing was closed.

It was moved by Board Member Gary McBride, seconded by Board Member Ferracone, and carried on a 4-0-3 (Vice Chairman Orci, Board Member Morse and Board Member Wert absent) that the Oversight Board approve Resolution No. OB 2015-054.

V. OLD BUSINESS-None

VI. ADJOURNMENT TO THE JUNE 16, 2016 OVERSIGHT BOARD MEETING

There being no further business to address, Chairman Foster adjourned the meeting at 4:05 p.m. to the regularly scheduled Oversight Board meeting of June 16, 2016.

ATTACHMENT NO. 4

AMENDED ROPS 2016-17

Amended Recognized Obligation Payment Schedule (ROPS 16-17B) - Summary

Filed for the January 1, 2017 through June 30, 2017 Period

Successor Agency: Redlands
 County: San Bernardino

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)

		ROPS 16-17B Authorized Amounts	ROPS 16-17B Requested Adjustments	ROPS 16-17B Amended Total
A	Enforceable Obligations Funded as Follows (B+C+D):	-	-	-
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	-	-
D	Other Funds	-	-	-
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	3,724,770	5	3,724,775
F	RPTTF	3,599,770	5	3,599,775
G	Administrative RPTTF	125,000	-	125,000
H	Current Period Enforceable Obligations (A+E):	3,724,770	5	3,724,775

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (c) 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 successor agency.

 Name Title
 /s/ _____
 Signature Date

Redlands Amended Recognized Obligation Payment Schedule (ROPS 16-17B) - ROPS Detail

January 1, 2017 through June 30, 2017

(Report Amounts in Whole Dollars)

Item #	Project Name/Debt Obligation	Obligation Type	Total Outstanding Balance	AUTHORIZED AMOUNTS					REQUESTED ADJUSTMENTS					Notes		
				Fund Sources					Fund Sources							
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total	
3	1998 A Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	\$ 16,954,993	-	-	-	\$ 3,599,770	\$ 125,000	\$ 3,724,770	-	-	-	-	-	\$ 5	
4	2003 A Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	\$ 3,370,016	-	-	-	2,188,388	-	\$ 2,188,388	-	-	-	5	-	\$ 5	The amount approved for the Refunded 1998, 2003
5	2007 A Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	\$ 1,150,271	-	-	-	475,289	-	\$ 475,289	-	-	-	-	-	-	
6	Fiscal Agent Fees	Fees	\$ 63,000	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -	
10	Contract for Continuing Disclosure	Fees	\$ 6,250	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -	
12	Contract for Auditing Services	Professional Services	\$ 13,500	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -	
26	Consultant Costs	Property Dispositions	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -	
39	Housing Entity Admin Cost	Housing Entity Admin Cost	\$ 600,000	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -	
40	Administration Costs	Admin Costs	\$ 250,000	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -	

ATTACHMENT NO. 5

BLX REPORT ON ARBITRAGE REBATE



*BLX Group LLC
2711 N. Haskell Avenue
Lockbox 35, Suite 2600 SW
Dallas, TX 75204
p. 214 989 2700 f. 214 989 2712*

\$31,805,000
Redevelopment Agency of the City of Redlands
(County of San Bernardino)

Redlands Redevelopment Project
Tax Allocation Refunding Bonds
Series 1998A

FINAL ARBITRAGE REBATE AND YIELD RESTRICTION ANALYSES

For the Computation Period:
December 8, 1998 – March 25, 2016



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1. Remaining Balance Analysis
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3. Commingled Fund Adjustment Analysis

Exhibit A - IRS Form 8038-T



April 22, 2016

Redevelopment Agency of the City of Redlands
P.O. Box 3005
Redlands, CA 92373

Re: \$31,805,000
Redevelopment Agency of the City of Redlands
(County of San Bernardino)
Redlands Redevelopment Project
Tax Allocation Refunding Bonds
Series 1998A
Final Arbitrage Rebate and Yield Restriction Analyses
Computation Period: December 8, 1998 through March 25, 2016

Ladies and Gentlemen:

This report (the "Report"), which is being delivered to you pursuant to our engagement letter, consists of computations and the assumptions on which such computations are based with respect to the rebate and yield restriction liabilities of the Redevelopment Agency of the City of Redlands (the "Issuer") in connection with the above-captioned issue (the "Bonds") for the above-referenced period (the "Final Computation Period").

The computations herein are based on an analysis of existing laws, regulations, and rulings. The Department of the Treasury ("Treasury") may publish additional regulations and supplement, amend, or interpret such laws, regulations, and rulings from time to time, with the result that the amount of rebate and yield restriction liabilities described in the Report may be subject to adjustment under such future pronouncements.

The scope of our engagement was limited to preparing the Report based on information supplied to us. In accordance with our engagement letter (which is incorporated herein by reference), our engagement did not include determination of whether securities allocable to proceeds of the Bonds were purchased at fair market value within the meaning of the Treasury Regulations, or an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds. With your permission, we have relied entirely on the information provided to us without independent verification, and we express no opinion as to the completeness, accuracy, or suitability of such information for purposes of calculating rebate and yield restriction liabilities with respect to the Bonds. We have undertaken no responsibility to audit or review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program. We are under no obligation to consider any information obtained by us pursuant to this engagement for any purpose other than determining such rebate and yield restriction liabilities. Also, we have no obligation to update this Report because of any events occurring, changes in existing laws, regulations, or rulings or interpretations thereof, or data or information received, subsequent to the date hereof.



For the Final Computation Period December 8, 1998 through March 25, 2016:

Allowable Yield on Investments:	4.960503%
Rebate Payment Due:	<u>\$316,344.21</u>
Yield Reduction Payment Due:	<u>\$0.00</u>

As set forth on Schedule A hereof, the amount to be paid to the United States on or before May 24, 2016 (60 days after March 25, 2016, the final redemption date of the Bonds) is equal to \$316,344.21. This amount is equal to one hundred percent (100%) of the Cumulative Rebate Liability (reduced by applicable computation date credits and any previous rebate payments made in connection with previous installment computation periods). This amount must be remitted with a completed IRS Form 8038-T, a partially completed form of which is attached hereto as Exhibit A.

In addition, as the Bonds have been redeemed in their entirety, no further calculations of rebate liability are necessary.

This Report is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission.

Very truly yours,

BLX Group LLC



ORRICK, HERRINGTON & SUTCLIFFE LLP
777 S. FIGUEROA STREET, SUITE 3200
LOS ANGELES, CA 90017
tel 213-629-2020
fax 213-612-2499
WWW.ORRICK.COM

April 22, 2016

Redevelopment Agency of the City of Redlands
P.O. Box 3005
Redlands, CA 92373

Re: \$31,805,000
Redevelopment Agency of the City of Redlands
(County of San Bernardino)
Redlands Redevelopment Project
Tax Allocation Refunding Bonds
Series 1998A
Final Arbitrage Rebate and Yield Restriction Analyses
Computation Period: December 8, 1998 through March 25, 2016

Ladies and Gentlemen:

This opinion is being delivered to you pursuant to our engagement to provide certain legal services and accompanies a report (the "Report") prepared on the date hereof by BLX Group LLC ("BLX") consisting of computations and the assumptions on which such computations are based with respect to the rebate and yield restriction liabilities of the Redevelopment Agency of the City of Redlands (the "Issuer") in connection with the above-captioned issue (the "Bonds") for the above-referenced period (the "Final Computation Period"). In particular, we note that our opinion is specifically subject to the notes and assumptions contained in the Report.

The opinion expressed herein is based on an analysis of existing laws, regulations, and rulings. The Department of the Treasury ("Treasury") may publish additional regulations and supplement, amend, or interpret such laws, regulations, and rulings from time to time, with the result that the amount of rebate and yield restriction liabilities described in the Report and in this opinion may be subject to adjustment under such future pronouncements.

The scope of our engagement was limited to preparing this opinion, based on information supplied to us by you, BLX, and U.S. Bank, N.A. (the "Trustee"). In accordance with our engagement letter (which is incorporated herein by reference), our engagement did not include independent determination of which funds were subject to or exempt from rebate, determination of whether securities allocable to proceeds of the Bonds were purchased at fair market value within the meaning of the Treasury Regulations, or an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds. With your permission, we have relied entirely on information provided by you, BLX, and the Trustee without independent verification, and we express no opinion as to the completeness, accuracy, or suitability of such information for purposes of calculating rebate and yield restriction liabilities with respect to the Bonds. We have undertaken no responsibility to audit or review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program. No opinion is expressed on any matter other than rebate and yield restriction liabilities to the extent set forth below, and we are under no obligation to consider any information obtained by us pursuant to this engagement



for any purpose other than determining such rebate and yield restriction liabilities. Also, we have no obligation to update this opinion because of any events occurring, changes in existing laws, regulations, or rulings or interpretations thereof, or data or information received, subsequent to the date hereof.

Based on and subject to the foregoing, and subject to the notes and assumptions contained in the Report, in our opinion, the computations shown in the Report were performed in accordance with applicable federal law and regulations and reflect the following:

For the Final Computation Period December 8, 1998 through March 25, 2016:

Allowable Yield on Investments:	4.960503%
Rebate Payment Due:	<u>\$316,344.21</u>
Yield Reduction Payment Due:	<u>\$0.00</u>

This opinion is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission.

Very truly yours,

A handwritten signature in cursive script that reads "Orrick, Herrington & Sutcliffe LLP".

ORRICK, HERRINGTON & SUTCLIFFE LLP

NOTES AND ASSUMPTIONS

1. The Dated Date of the Bonds is December 8, 1998.
2. The Issue Date of the Bonds is December 8, 1998.
3. The Final Computation Period is December 8, 1998 to March 25, 2016.
4. Consistent with Section 1.5 of the Tax Certificate, the Bonds constitute one issue for federal taxation purposes and are not treated as part of any other issue of governmental obligations.
5. As set forth in Section 1.6 of the Tax Certificate, the end of the first Bond Year with respect to the Bonds for purposes of determining installment computation dates is December 8, 1999. Subsequent Bond Years end on each successive December 8 until no Bonds remain outstanding.
6. Computations of yield are based on a 360-day year and semiannual compounding.
7. For debt service, yield, and investment cash flow purposes, all payments and receipts with respect to the Bonds and proceeds thereof are accurately set forth in the schedules contained herein. We are not aware of any hedging arrangement (such as an interest rate swap) that would affect the yield on the Bonds. For purposes of determining yield on the Bonds, the issue price is based on the yields of the Bonds as set forth in the Official Statement.

On March 16, 2016, the Successor Agency to the Redevelopment Agency of the City of Redlands issued its Tax Allocation Refunding Bonds Series 2016A (the "Refunding Bonds"), providing for the early redemption of certain maturities of the Bonds.

8. The purchase price of each investment is at fair market value, exclusive of brokerage commissions, administrative expenses, or similar expenses and is representative of an arm's length transaction which did not reduce the rebate amount required to be paid to the United States.
9. The Bonds are "refunded" bonds, which give rise to transferred proceeds to the Refunding Bonds pursuant to Treasury Regulations Section 1.148-9(b). Accordingly, proceeds of the Bonds cease to be treated as proceeds of the Bonds and instead are treated as proceeds of the Refunding Bonds as proceeds of the Refunding Bonds are used to discharge principal of the Bonds.

The Bonds are "refunding" bonds, the proceeds of which were used to currently refund the Issuer's 1987 Tax Allocation Refunding Bonds (the "1987 Bonds"), 1994 Refunding Parking Lease Revenue Bonds (the "1994 Bonds"), and the 1994 Subordinated Tax Allocation Refunding Bonds (the "1994 Subordinated Bonds" and together with the 1987 Bonds and the 1994 Bonds

the "Prior Bonds") and, therefore, give rise to transferred proceeds from the Prior Bonds pursuant to Treasury Regulations Section 1.148-9(b). Accordingly, proceeds of the Prior Bonds cease to be treated as proceeds of the Prior Bonds and instead are treated as proceeds of the Bonds as proceeds of the Bonds are used to discharge principal of the Prior Bonds. The extent to which such transfers occur is set forth on Schedule H3 herein.

10. The only funds and accounts established relating to the Bonds are the following:

- Redevelopment Fund
- Debt Service Fund
 - Principal Account
 - Interest Account
 - Reserve Account
 - Sinking Account
- Expense Fund
- Revenue Fund
- Rebate Fund
- Escrow Fund (1987 Bonds)
- Escrow Fund (1994 Lease Revenue Bonds)
- Escrow Fund (1994 Subordinate Bonds)

For purposes of this Report, we have combined the above mentioned Escrow Funds into one general Escrow Fund.

11. The Revenue and Debt Service (other than the Reserve Account therein) Funds collectively constitute a bona fide debt service fund and are not taken into account in determining Cumulative Rebate Liability pursuant to Section 148(f)(4)(A) of the Internal Revenue Code.
12. Through the Final Computation Period, the Redevelopment and Rebate Funds did not contain gross proceeds of the Bonds.
13. We have endeavored to distinguish between proceeds of the Bonds subject to the rebate requirement and other monies which have been commingled in the Expense and Escrow Funds. These "uncomminglings" were based on a pro-rata allocation of proceeds to investments and expenditures in the Escrow Fund and an allocation of Bond proceeds to expenditures first in the Expense Fund.
14. As set forth in Section 3.3.3 of the Tax Certificate, we have treated the fee paid for the bond insurance as a payment for a "qualified guarantee" within the meaning of Treasury Regulations Section 1.148-4(f).
15. Treasury Regulations suggests that amounts held in cash in the Escrow Fund may not be treated as allocable to a "zero-yielding" investment. Thus, such amounts may not be treated as causing

- "negative arbitrage" that effectively offsets excess earnings with respect to higher yielding non-purpose investments. We have excluded such amounts from our analysis, which is mathematically equivalent to imputing receipts on such amounts at the Arbitrage Yield.
16. The rebate payment in the amount of \$2,590.06 paid on or before February 6, 2014 (60 days after the fifteenth Bond Year) and the applicable computation date credits were taken into account in determining Cumulative Rebate Liability with respect to the Bonds. See Schedule A herein. Pursuant to Proposed Treasury Regulations, dated September 26, 2007, for any Bond Year ending on or after September 26, 2007, a computation date credit in the amount of \$1,400 or higher (as adjusted in the future for inflation as described in said Regulations) is applicable. We have assumed the Issuer has elected to apply this provision of the Proposed Regulations to the Bonds.
 17. Consistent with Section 3.3.2 of the Tax Certificate, sale proceeds invested in the Expense Fund beyond 30 days after the receipt of such monies may not be invested at a yield that is materially higher than the yield on the Bonds. The yield or investments allocable to the proceeds held in the Expense Fund beyond such time period may be determined by taking into account yield restriction payments paid to the United States as provided in Treasury Regulations Section 1.148-5(c).

\$31,805,000
Redevelopment Agency of the City of Redlands
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Redlands Redevelopment Project
Tax Allocation Refunding Bonds
Series 1998A

Schedule I1 - Expense Fund

Issue Date: December 8, 1998
 Rebate Computation Date: March 25, 2016
 Client Matter Number: 41612-3601

Fund Reference Number	Fund Description	Current Fund Status	Computation Date Valuation	Gross Earnings	Internal Rate of Return	Excess Earnings
1	Expense Fund	Inactive	\$0.00	\$17,903.46	3.028295%	(\$20,925.17)
2	Reserve Account	Inactive	\$0.00	\$2,272,198.15	5.674998%	\$441,065.51
3	Escrow Fund	Inactive	\$0.00	\$56,159.14	3.291962%	(\$65,527.99)
Totals:			\$0.00	\$2,346,260.74		\$354,612.35

Summary of Rebate Analysis			
Arbitrage Yield:			4.960503%
Return on Investments:			5.495548%
Excess %:			0.535044%
Actual Gross Earnings:			2,346,260.74
Allowable Gross Earnings:			1,991,648.40
Excess Earnings:			\$354,612.35
FV of Computation Date Credit:	12/08/99	(\$1,000.00)	(\$2,222.34)
FV of Computation Date Credit:	12/08/00	(\$1,000.00)	(\$2,118.07)
FV of Computation Date Credit:	12/08/01	(\$1,000.00)	(\$2,014.88)
FV of Computation Date Credit:	12/08/02	(\$1,000.00)	(\$1,918.54)
FV of Computation Date Credit:	12/08/03	(\$1,000.00)	(\$1,826.79)
FV of Computation Date Credit:	12/08/04	(\$1,000.00)	(\$1,739.44)
FV of Computation Date Credit:	12/08/05	(\$1,000.00)	(\$1,656.26)
FV of Computation Date Credit:	12/08/06	(\$1,000.00)	(\$1,577.06)
FV of Computation Date Credit:	12/08/07	(\$1,400.00)	(\$2,102.31)
FV of Computation Date Credit:	12/08/08	(\$1,430.00)	(\$2,044.67)
FV of Computation Date Credit:	12/08/09	(\$1,490.00)	(\$2,028.59)
FV of Computation Date Credit:	12/08/10	(\$1,500.00)	(\$1,944.55)
FV of Computation Date Credit:	12/08/11	(\$1,520.00)	(\$1,878.25)
FV of Computation Date Credit:	12/08/12	(\$1,550.00)	(\$1,821.79)
FV of Computation Date Credit:	12/08/13	(\$1,590.00)	(\$1,779.44)
FV of Prior Rebate Payment Due:	12/08/13	(\$2,590.06)	(\$2,898.65)
FV of Computation Date Credit:	12/08/14	(\$1,620.00)	(\$1,726.32)
FV of Computation Date Credit:	12/08/15	(\$1,650.00)	(\$1,674.21)
FV of Computation Date Credit:	03/25/16	(\$1,650.00)	(\$1,650.00)
Final Computation Date Credit:	03/25/16	(\$1,650.00)	(\$1,650.00)
Cumulative Rebate Liability:			\$316,344.21
Rebate Payment Due:			\$316,344.21

Fund Reference Number	Fund Description	Current Fund Status	Computation Date Valuation	Gross Earnings	Internal Rate of Return	Yield Restriction Liability
1	Expense Fund	Inactive	\$0.00	\$17,374.34	2.975275%	(\$22,835.43)
Totals:			\$0.00	\$17,374.34		(\$22,835.43)

Summary of Yield Restriction¹	
Allowable Yield: ²	5.085503%
Actual Gross Earnings:	17,374.34
Allowable Gross Earnings:	40,209.77
Yield Restriction Liability:	(\$22,835.43)
Yield Reduction Payment Due:	\$0.00

¹ See Notes and Assumptions #17.

² Pursuant to Treasury Regulations Section 1.148-2(d), for yield restriction purposes the Arbitrage Yield is adjusted upwards by .00125 for amounts not held in a refunding escrow or treated as replacement proceeds with respect to the Bonds.

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Schedule B - Sources & Uses of Funds

<i>Sources of Funds</i>	Bond Proceeds	Prior Bond Proceeds	Other Sources	Total
Par Amount	31,805,000.00			
+ Original Issue Premium	0.00			
- Original Issue Discount	<u>(565,062.00)</u>			
Net Production		31,239,938.00		31,239,938.00
Accrued Interest		0.00		
1987 Bond Proceeds Reserve Fund		703,638.58		703,638.58
1994 Bonds Rebate Fund		430,968.63		430,968.63
1994 Subordinate Bonds Reserve Fund		<u>1,214,855.58</u>		<u>1,214,855.58</u>
Total Sources:	<u>31,239,938.00</u>	<u>2,349,462.79</u>	<u>0.00</u>	<u>33,589,400.79</u>
 <i>Uses of Funds</i> ¹				
Reserve Account	2,189,512.50			2,189,512.50
Expense Fund	181,560.24	205,113.23		386,673.47
Escrow Fund				
Bond Proceeds	3,125,931.48			3,125,931.48
1987 Reserve Fund Bond Proceeds		703,638.58		703,638.58
1994 Rebate Fund Bond Proceeds	5,975,713.98			5,975,713.98
1994 Reserve Bond Proceeds	19,016,032.25			19,016,032.25
1994 Reserve		1,214,855.58		1,214,855.58
Underwriter's Discount	315,187.55			315,187.55
Insurance Premium	<u>436,000.00</u>			<u>436,000.00</u>
Total Uses:	<u>31,239,938.00</u>	<u>2,349,462.79</u>	<u>0.00</u>	<u>33,589,400.79</u>

¹ As set forth in the records provided by the Trustee.

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Schedule C - Annual Debt Service & Production

Serial Bonds & 2021 Term Bonds

Period Ending	Serial Bonds		2021 Term Bonds		Coupon	Yield	Price	Par Amount	Yield	Price	Par Amount	Yield	Interest	Total Debt Service		Production
	Coupon	Par Amount	Coupon	Par Amount										Service	Production	
08/01/89	3.700%	1,040,000	3.000%	100,442	3.700%	100.442	230,000	3.800%	99.574	916,610.67	2,186,610.6736	3.800%	99.574	2,186,610.6736	1,273,617.00	
08/01/00	3.700%	695,000	3.400%	100.473	3.700%	100.473	125,000	3.800%	99.574	1,369,232.50	2,189,232.5000	3.800%	99.574	2,189,232.5000	822,754.85	
08/01/01	3.700%	720,000	3.600%	100.246	3.700%	100.246	130,000	3.800%	99.574	1,338,892.50	2,188,892.5000	3.800%	99.574	2,188,892.5000	851,217.40	
08/01/02	3.700%	745,000	3.700%	100.000	3.700%	100.000	135,000	3.800%	99.574	1,307,442.50	2,187,442.5000	3.800%	99.574	2,187,442.5000	879,424.90	
08/01/03	3.800%	775,000	3.800%	100.000	3.700%	100.000	135,000	3.800%	99.574	1,274,882.50	2,184,882.5000	3.800%	99.574	2,184,882.5000	909,424.90	
08/01/04	3.900%	800,000	3.900%	100.000	4.100%	100.000	145,000	4.250%	98.818	1,240,437.50	2,185,437.5000	4.250%	98.818	2,185,437.5000	943,286.10	
08/01/05	4.000%	835,000	4.050%	100.000	4.100%	100.000	150,000	4.250%	98.818	1,203,292.50	2,188,742.5000	4.250%	98.818	2,188,742.5000	983,227.00	
08/01/06	4.000%	865,000	4.100%	99.669	4.100%	99.669	160,000	4.250%	98.818	1,163,742.50	2,188,742.5000	4.250%	98.818	2,188,742.5000	1,020,245.65	
08/01/07	4.000%	900,000	4.100%	99.273	4.100%	99.273	165,000	4.250%	98.818	1,122,582.50	2,187,582.5000	4.250%	98.818	2,187,582.5000	1,056,506.70	
08/01/08	4.100%	940,000	4.200%	99.209	4.100%	99.209	165,000	4.250%	98.818	1,079,817.50	2,184,817.5000	4.250%	98.818	2,184,817.5000	1,095,614.30	
08/01/09	4.200%	975,000	4.300%	99.148	4.700%	99.148	180,000	4.750%	99.470	1,034,512.50	2,189,512.5000	4.750%	99.470	2,189,512.5000	1,145,739.00	
08/01/10	4.300%	1,015,000	4.400%	99.091	4.700%	99.091	185,000	4.750%	99.470	985,102.50	2,185,102.5000	4.750%	99.470	2,185,102.5000	1,189,793.15	
08/01/11	4.400%	1,060,000	4.500%	99.038	4.700%	99.038	195,000	4.750%	99.470	932,762.50	2,187,762.5000	4.750%	99.470	2,187,762.5000	1,243,789.30	
08/01/12	4.500%	1,105,000	4.600%	98.989	4.700%	98.989	205,000	4.750%	99.470	876,957.50	2,186,957.5000	4.750%	99.470	2,186,957.5000	1,287,741.85	
08/01/13	4.600%	1,155,000	4.700%	98.944	4.700%	98.944	215,000	4.750%	99.470	817,597.50	2,187,597.5000	4.750%	99.470	2,187,597.5000	1,356,663.70	
08/01/14	4.750%	1,210,000	5.030%	96.234	5.000%	96.234	225,000	5.100%	98.628	754,362.50	2,188,362.5000	5.100%	98.628	2,188,362.5000	1,386,344.40	
08/01/15	4.750%	1,270,000	5.030%	96.234	5.000%	96.234	230,000	5.100%	98.628	685,637.50	2,185,637.5000	5.100%	98.628	2,185,637.5000	1,449,016.20	
08/01/16	4.750%	1,330,000	5.030%	96.234	5.000%	96.234	245,000	5.100%	98.628	613,812.50	2,188,812.5000	5.100%	98.628	2,188,812.5000	1,521,550.80	
08/01/17	4.750%	1,390,000	5.030%	96.234	5.000%	96.234	260,000	5.100%	98.628	538,387.50	2,188,387.5000	5.100%	98.628	2,188,387.5000	1,594,085.40	
08/01/18	4.750%	1,455,000	5.030%	96.234	5.000%	96.234	270,000	5.100%	98.628	459,362.50	2,184,362.5000	5.100%	98.628	2,184,362.5000	1,666,500.30	
08/01/19	4.750%	1,525,000	5.030%	96.234	5.000%	96.234	285,000	5.100%	98.628	376,750.00	2,186,750.0000	5.100%	98.628	2,186,750.0000	1,748,658.30	
08/01/20	4.750%	1,600,000	5.030%	96.234	5.000%	96.234	295,000	5.100%	98.628	290,062.50	2,185,062.5000	5.100%	98.628	2,185,062.5000	1,830,696.60	
08/01/21	4.750%	1,675,000	5.030%	96.234	5.000%	96.234	310,000	5.100%	98.628	199,312.50	2,184,312.5000	5.100%	98.628	2,184,312.5000	1,917,666.30	
08/01/22					5.000%		2,085,000	5.100%	98.628	104,250.00	2,189,250.0000	5.100%	98.628	2,189,250.0000	2,056,393.80	
		25,080,000.00					6,725,000.00			20,685,803.17	52,490,803.17			52,490,803.17	31,239,938.00	

\$31,805,000
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Schedule D - Semi-Annual Debt Service

		Serial Bonds & 2021 Term Bonds					
				Term Bonds			
Date	Coupon	Principal Amount	Coupon	Principal Amount	Interest	Total Debt Service	
02/01/89					208,499.42	208,499.42	
08/01/89	3.700%	1,040,000	3.700%	230,000	708,111.25	1,978,111.25	
02/01/00					684,616.25	684,616.25	
08/01/00	3.700%	695,000	3.700%	125,000	684,616.25	1,504,616.25	
02/01/01					669,446.25	669,446.25	
08/01/01	3.700%	720,000	3.700%	130,000	669,446.25	1,519,446.25	
02/01/02					653,721.25	653,721.25	
08/01/02	3.700%	745,000	3.700%	135,000	653,721.25	1,533,721.25	
02/01/03					637,441.25	637,441.25	
08/01/03	3.800%	775,000	3.700%	135,000	637,441.25	1,547,441.25	
02/01/04					620,218.75	620,218.75	
08/01/04	3.900%	800,000	4.100%	145,000	620,218.75	1,565,218.75	
02/01/05					601,646.25	601,646.25	
08/01/05	4.000%	835,000	4.100%	150,000	601,646.25	1,586,646.25	
02/01/06					581,871.25	581,871.25	
08/01/06	4.000%	865,000	4.100%	160,000	581,871.25	1,606,871.25	
02/01/07					561,291.25	561,291.25	
08/01/07	4.000%	900,000	4.100%	165,000	561,291.25	1,626,291.25	
02/01/08					539,908.75	539,908.75	
08/01/08	4.100%	940,000	4.100%	165,000	539,908.75	1,644,908.75	
02/01/09					517,256.25	517,256.25	
08/01/09	4.200%	975,000	4.700%	180,000	517,256.25	1,672,256.25	
02/01/10					492,551.25	492,551.25	
08/01/10	4.300%	1,015,000	4.700%	185,000	492,551.25	1,692,551.25	
02/01/11					466,381.25	466,381.25	
08/01/11	4.400%	1,060,000	4.700%	195,000	466,381.25	1,721,381.25	
02/01/12					438,478.75	438,478.75	
08/01/12	4.500%	1,105,000	4.700%	205,000	438,478.75	1,748,478.75	
02/01/13					408,798.75	408,798.75	
08/01/13	4.600%	1,155,000	4.700%	215,000	408,798.75	1,778,798.75	
02/01/14					377,181.25	377,181.25	
08/01/14	4.750%	1,210,000	5.000%	225,000	377,181.25	1,812,181.25	
02/01/15					342,818.75	342,818.75	
08/01/15	4.750%	1,270,000	5.000%	230,000	342,818.75	1,842,818.75	
02/01/16					306,906.25	306,906.25	
08/01/16	4.750%	1,330,000	5.000%	245,000	306,906.25	1,881,906.25	
02/01/17					269,193.75	269,193.75	
08/01/17	4.750%	1,390,000	5.000%	260,000	269,193.75	1,919,193.75	
02/01/18					229,681.25	229,681.25	
08/01/18	4.750%	1,455,000	5.000%	270,000	229,681.25	1,954,681.25	
02/01/19					188,375.00	188,375.00	
08/01/19	4.750%	1,525,000	5.000%	285,000	188,375.00	1,998,375.00	
02/01/20					145,031.25	145,031.25	
08/01/20	4.750%	1,600,000	5.000%	295,000	145,031.25	2,040,031.25	
02/01/21					99,656.25	99,656.25	
08/01/21	4.750%	1,675,000	5.000%	310,000	99,656.25	2,084,656.25	
02/01/22					52,125.00	52,125.00	
08/01/22			5.000%	2,085,000	52,125.00	2,137,125.00	
		25,080,000		6,725,000	20,685,803.17	52,490,803.17	

\$31,805,000
Redevelopment Agency of the City of Redlands
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Schedule E - Arbitrage Yield Calculation

Date	Total Issue Payments	Discount Factor @ 4.960503%	Present Value as of 12/08/98
02/01/99	208,499.42	0.99281209	207,000.75
08/01/99	1,978,111.25	0.96878381	1,916,362.16
02/01/00	684,616.25	0.94533708	647,193.12
08/01/00	1,504,616.25	0.92245780	1,387,945.00
02/01/01	669,446.25	0.90013226	602,590.16
08/01/01	1,519,446.25	0.87834704	1,334,601.12
02/01/02	653,721.25	0.85708908	560,297.34
08/01/02	1,533,721.25	0.83634560	1,282,721.02
02/01/03	637,441.25	0.81610417	520,218.46
08/01/03	1,547,441.25	0.79635262	1,232,308.89
02/01/04	620,218.75	0.77707910	481,959.03
08/01/04	1,565,218.75	0.75827205	1,186,861.62
02/01/05	601,646.25	0.73992016	445,170.19
08/01/05	1,586,646.25	0.72201244	1,145,578.33
02/01/06	581,871.25	0.70453812	409,950.48
08/01/06	1,608,871.25	0.68748672	1,104,702.65
02/01/07	561,291.25	0.67084800	376,541.11
08/01/07	1,626,291.25	0.65461198	1,064,589.73
02/01/08	539,908.75	0.63876890	344,876.92
08/01/08	1,644,908.75	0.62330927	1,025,286.87
02/01/09	517,256.25	0.60822379	314,607.55
08/01/09	1,672,256.25	0.59350341	992,489.78
02/01/10	492,551.25	0.57913930	285,255.78
08/01/10	1,692,551.25	0.56512283	956,499.35
02/01/11	466,381.25	0.55144559	257,183.88
08/01/11	1,721,381.25	0.53809937	926,274.17
02/01/12	438,478.75	0.52507616	230,234.74
08/01/12	1,748,478.75	0.51236814	895,864.81
02/01/13	408,798.75	0.49996769	204,386.17
08/01/13	1,778,798.75	0.48786735	867,817.83
02/01/14	377,181.25	0.47605987	179,560.86
08/01/14	1,812,181.25	0.46453815	841,827.33
02/01/15	342,818.75	0.45329529	155,398.12
08/01/15	1,842,818.75	0.44232453	815,123.93
02/01/16	306,906.25	0.43161928	132,466.86
08/01/16	1,881,906.25	0.42117313	792,608.35
02/01/17	269,193.75	0.41087980	110,633.19
08/01/17	1,919,193.75	0.40103317	769,680.35
02/01/18	229,681.25	0.39132727	89,880.54
08/01/18	1,954,681.25	0.38185627	746,407.29
02/01/19	188,375.00	0.37261449	70,191.26
08/01/19	1,998,375.00	0.36359639	726,601.93
02/01/20	145,031.25	0.35479654	51,456.59
08/01/20	2,040,031.25	0.34620867	706,278.55
02/01/21	99,656.25	0.33783062	33,666.93
08/01/21	2,084,656.25	0.32965436	687,216.03
02/01/22	52,125.00	0.32167599	16,767.36
08/01/22	2,137,125.00	0.31389071	670,823.69
	52,490,803.17		30,803,938.00

Issue Price Calculation	
+ Par Amount of Issue	31,805,000.00
+ Accrued Interest	0.00
+/- Original Issue Prem/(Disc)	(565,062.00)
Issue Price:	31,239,938.00
- Qualified Guarantee	(436,000.00)
Adjusted Issue Price:	30,803,938.00
Present Value Result:	30,803,938.00
Variance:	0.00
Arbitrage Yield!	4.960503%

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Schedule F1 - Expense Fund	Fund 1
<i>Remaining Balance Analyses</i>	

Summary - Fund 1	
Gross Earnings:	\$17,903.46
Internal Rate of Return:	3.028295%
Excess Earnings:	(\$20,925.17)

Summary of Yield Restriction - Fund 1	
Gross Earnings:	\$17,374.34
Internal Rate of Return:	2.975275%
Yield Restriction Liability:	(\$22,835.43)

Security Type	Par Amount	Coupon	Maturity Date	Settlement Date	Settlement Price	Yield	Accreted Price	Accrued Interest	Value As Of 01/08/99
First American MM	83,601.51	Variable	N/A	N/A	100.000	Variable	100.000	230.32	83,831.83

Value as of January 8, 1999: 83,831.83

Security Type	Par Amount	Coupon	Maturity Date	Settlement Date	Settlement Price	Yield	Accreted Price	Accrued Interest	Computation Date Value
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00

Value as of March 25, 2016: 0.00

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Schedule F2 - Expense Fund
Net Nonpurpose Investments Cash Flow

Fund 1

Date	Description	Net Nonpurpose Investments Cash Flow ¹	Muni-Days/ Computation Date	Rebate Calculations		IRR Calculations	
				FV Factor @ 4.960503%	FV As Of 03/25/16	FV Factor @ 3.028295%	FV As Of 03/25/16
12/08/98	Deposit	(181,560.24)	6,227	2.33394821	(423,752.20)	1.68183401	(305,354.19)
12/08/98	NPR-w/d	5,250.00	6,227	2.33394821	12,253.23	1.68183401	8,829.63
12/08/98	NPR-w/d	12,500.00	6,227	2.33394821	29,174.35	1.68183401	21,022.93
12/14/98	NPR-w/d	2,000.00	6,221	2.33204293	4,684.09	1.68099174	3,361.98
12/14/98	NPR-w/d	65,000.00	6,221	2.33204293	151,582.79	1.68099174	109,264.46
12/15/98	NPR-w/d	5,998.00	6,220	2.33172554	13,985.69	1.68085140	10,081.75
12/31/98	NPR-w/d	2,500.00	6,205	2.32896980	5,817.42	1.67874773	4,196.87
01/04/99	Transferred Proceeds	(198,183.97)	6,201	2.32570325	(460,917.10)	1.67818720	(332,589.80)
01/07/99	NPR-w/d	5,009.53	6,198	2.32475378	11,645.92	1.67776892	8,404.82
01/08/99	NPR-w/d	13,887.21	6,197	2.32443738	32,279.95	1.67762886	23,297.56
01/12/99	NPR-w/d	8,500.00	6,193	2.32317220	19,748.96	1.67706670	14,255.07
01/12/99	NPR-w/d	350.00	6,193	2.32317220	813.11	1.67706670	586.97
01/29/99	NPR-w/d	177,876.46	6,176	2.31780287	412,282.57	1.67468811	297,887.59
02/04/99	NPR-w/d	15,919.92	6,171	2.31622602	36,874.13	1.67398917	26,649.77
02/17/99	NPR-w/d	14,172.36	6,158	2.31213122	32,768.36	1.67217328	23,698.64
05/18/99	Correction	(14,172.36)	6,067	2.28366962	(32,364.99)	1.65951711	(23,519.27)
05/19/99	NPR-w/d	14,172.33	6,066	2.28335881	32,360.52	1.65937856	23,517.26
08/04/08	NPR-w/d	68,137.95	2,751	1.45417764	99,084.68	1.25819448	85,730.79
12/03/08	NPR-w/d	545.81	2,632	1.43081379	780.95	1.24575600	679.95
12/03/08	Correction	(545.81)	2,632	1.43081379	(780.95)	1.24575600	(679.95)
01/02/09	NPR-w/d	0.30	2,603	1.42517720	0.43	1.24274345	0.37
01/05/09	NPR-deposit	(0.30)	2,600	1.42459537	(0.43)	1.24243222	(0.37)
02/02/09	NPR-w/d	546.11	2,573	1.41936961	775.13	1.23983469	676.98
02/02/09	NPR-w/d	0.16	2,573	1.41936961	0.23	1.23983469	0.20
02/03/09	NPR-deposit	(0.16)	2,572	1.41917643	(0.23)	1.23953120	(0.20)
04/09/10	NPR-w/d	0.16	2,146	1.33922832	0.21	1.19622050	0.19
03/25/16	Balance	0.00	0	1.00000000	0.00	1.00000000	0.00
Earnings:		<u>17,903.46</u>		Excess Earnings:	<u>(20,925.17)</u>		<u>0.00</u>

¹ See Schedule F4 - Commingled Fund Adjustment Analysis.

² See Schedule F1 - Remaining Balance Analyses.

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Schedule F3 - Expense Fund
Yield Restriction Analysis ¹

Fund 1

Date	Description	Net Nonpurpose Investments Cash Flow ²	Muni-Days/ Computation Date	Yield Restriction Calculations		IRR Calculations	
				FV Factor @ 5.085503% ³	FV As Of 03/25/16	FV Factor @ 2.975275%	FV As Of 03/25/16
01/04/99	Transferred Proceeds	(198,183.97)	6,201	2.37506833	(470,700.47)	1.66315520	(328,610.70)
01/08/99	Balance ⁴	(83,831.83)	6,197	2.37374343	(198,985.26)	1.66260952	(139,379.60)
01/08/99	NPR-w/d	13,887.21	6,197	2.37374343	32,984.67	1.66260952	23,089.01
01/12/99	NPR-w/d	8,500.00	6,193	2.37241927	20,165.56	1.66208402	14,127.54
01/12/99	NPR-w/d	350.00	6,193	2.37241927	830.35	1.66206402	581.72
01/29/99	NPR-w/d	177,876.48	6,176	2.36679983	420,997.98	1.65974765	295,230.04
02/04/99	NPR-w/d	15,919.92	6,171	2.36514959	37,652.99	1.65906698	26,412.21
02/17/99	NPR-w/d	14,172.36	6,158	2.36086434	33,459.02	1.65729854	23,487.83
05/18/99	Correction	(14,172.36)	6,067	2.33108423	(33,036.96)	1.64497215	(23,313.14)
05/19/99	NPR-w/d	14,172.33	6,066	2.33075907	33,032.29	1.64483720	23,311.18
08/04/08	NPR-w/d	68,137.95	2,751	1.46779108	100,012.28	1.25318216	85,389.26
12/03/08	NPR-w/d	545.81	2,632	1.44362651	787.95	1.24100749	677.35
12/03/08	Correction	(545.81)	2,632	1.44362651	(787.95)	1.24100749	(677.35)
01/02/09	NPR-w/d	0.30	2,603	1.43779821	0.43	1.23805852	0.37
01/05/09	NPR-deposit	(0.30)	2,600	1.43719662	(0.43)	1.23775386	(0.37)
02/02/09	NPR-w/d	546.11	2,573	1.43179369	781.92	1.23501524	674.45
02/02/09	NPR-w/d	0.16	2,573	1.43179369	0.23	1.23501524	0.20
02/03/09	NPR-deposit	(0.16)	2,572	1.43159397	(0.23)	1.23491393	(0.20)
04/09/10	NPR-w/d	0.16	2,146	1.34899841	0.22	1.19250145	0.19
03/25/16	Balance	0.00	0	1.00000000	0.00	1.00000000	0.00
Earnings:		<u>17,374.34</u>	Yield Restriction Liability:		<u>(22,835.43)</u>	<u>0.00</u>	

¹ See Notes and Assumptions #17.

² See Schedule F4 - Commingled Fund Adjustment Analysis.

³ See Schedule A - Summary of Rebate and Yield Restriction Analyses.

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Schedule F4 - Expense Fund
Commingled Fund Adjustment Analysis

Fund 1

Date	Description	Total Cash Flow	Total Balance	Subject to Rebate			Not Subject to Rebate		
				Cash Flow	Balance	Average Balance	Cash Flow	Balance	Average Balance
12/08/98	Prior Bonds Proceeds	205,113.23	205,113.23		0.00	0.00	205,113.23	205,113.23	0.00
12/08/98	Deposit	181,580.24	386,673.47	181,580.24	181,580.24	0.00		205,113.23	0.00
12/08/98	NPR-w/d	(5,250.00)	381,423.47	(5,250.00)	176,310.24	181,580.24		205,113.23	205,113.23
12/08/98	NPR-w/d	(12,500.00)	368,923.47	(12,500.00)	163,810.24	181,560.24		205,113.23	205,113.23
12/14/98	NPR-w/d	(2,000.00)	366,923.47	(2,000.00)	161,810.24	163,810.24		205,113.23	205,113.23
12/14/98	NPR-w/d	(65,000.00)	301,923.47	(65,000.00)	96,810.24	163,810.24		205,113.23	205,113.23
12/15/98	NPR-w/d	(5,998.00)	295,925.47	(5,998.00)	90,812.24	154,238.81		205,113.23	205,113.23
12/31/98	NPR-w/d	(2,500.00)	293,425.47	(2,500.00)	88,312.24	110,115.98		205,113.23	205,113.23
01/01/99	Interest MM	860.01	294,285.48	298.80	88,611.04	109,207.49	581.21	205,674.44	205,113.23
01/04/99	Transferred Proceeds ¹		294,285.48	198,183.97	286,795.01	88,611.04	(198,183.97)	7,490.47	205,674.44
01/07/99	NPR-w/d	(12,500.00)	281,785.48	(5,009.53)	281,785.48	187,703.03	(7,490.47)	0.00	106,582.46
01/08/99	NPR-w/d	(13,887.21)	267,898.27	(13,887.21)	267,898.27	201,143.38		0.00	91,356.39
01/12/99	NPR-w/d	(8,500.00)	259,398.27	(8,500.00)	259,398.27	225,417.89		0.00	58,135.88
01/12/99	NPR-w/d	(350.00)	259,048.27	(350.00)	259,048.27	225,417.89		0.00	58,135.88
01/29/99	NPR-w/d	(177,876.46)	81,171.81	(177,876.46)	81,171.81	245,836.34		0.00	22,839.10
02/01/99	Interest MM	972.57	82,144.38	892.49	82,064.30	229,901.06	80.08	80.08	20,628.86
02/04/99	NPR-w/d	(16,000.00)	66,144.38	(15,919.92)	66,144.38	82,064.30	(80.08)	0.00	80.08
02/17/99	NPR-w/d	(14,172.36)	51,972.02	(14,172.36)	51,972.02	69,129.37		0.00	15.02
03/01/99	Interest MM	201.94	52,173.96	201.91	52,173.94	61,776.22	0.03	0.03	8.58
04/01/99	Interest MM	189.12	52,363.08	189.12	52,363.06	52,173.94	0.00	0.03	0.03
05/01/99	Interest MM	182.86	52,545.94	182.86	52,545.92	52,363.06	0.00	0.03	0.03
05/18/99	Correction	14,172.36	66,718.30	14,172.36	66,718.28	52,545.92		0.03	0.03
05/19/99	NPR-w/d	(14,172.36)	52,545.94	(14,172.33)	52,545.94	53,333.27	(0.03)	(0.00)	0.03
06/01/99	Interest MM	189.40	52,735.34	189.40	52,735.34	53,003.10	0.00	(0.00)	0.02
07/01/99	Interest MM	180.95	52,916.29	180.95	52,916.29	52,735.34	(0.00)	(0.00)	(0.00)
08/01/99	Interest MM	195.93	53,112.22	195.93	53,112.22	52,916.29	(0.00)	(0.00)	(0.00)
09/01/99	Interest MM	199.84	53,312.06	199.84	53,312.06	53,112.22	(0.00)	(0.00)	(0.00)
10/01/99	Interest MM	200.34	53,512.40	200.34	53,512.40	53,312.06	(0.00)	(0.00)	(0.00)
11/01/99	Interest MM	207.28	53,719.68	207.28	53,719.68	53,512.40	(0.00)	(0.00)	(0.00)
12/01/99	Interest MM	209.37	53,929.05	209.37	53,929.05	53,719.68	(0.00)	(0.00)	(0.00)

¹ Represents 96.358% of \$205,674.44. See Appendix A hereof.

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Schedule G1 - Reserve Account	Fund 2
Remaining Balance Analysis	

Summary - Fund 2	
Gross Earnings:	\$2,272,198.15
Internal Rate of Return:	5.674996%
Excess Earnings:	\$441,065.51

Security Type	Par Amount	Coupon	Maturity Date	Settlement Date	Settlement Price	Yield	Accreted Price	Accrued Interest	Computation Date Value
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00

Value as of March 25, 2016: 0.00

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Schedule G2 - Reserve Account
Net Nonpurpose Investments Cash Flow

Fund 2

Date	Description	Net Nonpurpose Investments Cash Flow	Muni-Days/ Computation Date	Rebate Calculations		IRR Calculations	
				FV Factor @ 4.960503%	FV As Of 03/25/16	FV Factor @ 5.674996%	FV As Of 03/25/16
12/08/98	Deposit	(2,189,512.50)	6,227	2.33394821	(5,110,208.77)	2.63253676	(5,763,972.14)
07/08/99	Tm to BFDS	14,897.16	6,017	2.26818079	33,789.45	2.54798984	37,957.81
07/29/99	Tm to BFDS	57,089.47	5,996	2.26170685	129,119.65	2.53968596	144,989.33
12/08/99	Tm to BFDS	21.04	5,867	2.22234177	46.76	2.48926677	52.37
02/01/00	Tm to BFDS	56,458.65	5,814	2.20836778	124,568.55	2.46884315	139,387.55
03/09/00	Tm to BFDS	38.30	5,776	2.19498545	84.07	2.45430302	94.00
05/19/00	Tm to BFDS	0.08	5,706	2.17417149	0.17	2.42774237	0.19
08/02/00	Tm to BFDS	56,774.06	5,633	2.15267571	122,216.14	2.40034954	136,277.59
03/23/01	Tm to BFDS	156.25	5,402	2.08604518	325.94	2.31568809	361.83
03/23/01	Tm to BFDS	57,404.38	5,402	2.08604518	119,748.13	2.31568809	132,930.64
04/04/01	Tm to BFDS	189.90	5,391	2.08292425	395.55	2.31173192	439.00
08/02/01	Correction	(56,143.24)	5,273	2.04973749	(115,078.90)	2.28971583	(127,429.20)
08/03/01	Tm to BFDS	112,286.00	5,272	2.04945852	230,125.50	2.26936304	254,817.70
02/15/02	Tm to BFDS	56,392.14	5,080	1.99659328	112,592.17	2.20263419	124,211.26
08/01/02	Tm to BFDS	57,839.83	4,914	1.95198732	112,902.81	2.14652520	124,154.65
02/11/03	Tm to BFDS	56,776.47	4,724	1.90215406	107,997.59	2.08405611	118,325.35
07/30/03	Tm to BFDS	56,785.86	4,555	1.85889876	105,559.16	2.03002084	115,276.48
02/04/04	Tm to BFDS	56,458.65	4,371	1.81292195	102,355.13	1.97278139	111,380.57
08/02/04	Tm to BFDS	56,774.06	4,193	1.76952681	100,463.22	1.91894478	108,946.29
01/27/05	Tm to BFDS	56,458.65	4,018	1.72787582	97,553.54	1.86744800	105,433.59
01/28/05	Correction	(56,458.65)	4,017	1.72764065	(97,540.26)	1.86715774	(105,417.21)
02/02/05	Tm to BFDS	56,458.65	4,013	1.72670030	97,487.17	1.86599715	105,351.68
02/03/05	Tm to BFDS	19.61	4,012	1.72646530	33.86	1.86570711	36.59
02/26/05	Tm to BFDS	(8.80)	3,985	1.72013220	(15.14)	1.85789319	(16.35)
03/02/05	Tm to BFDS	2.78	3,983	1.71966401	4.78	1.85731568	5.16
04/04/05	Tm to BFDS	0.01	3,951	1.71219023	0.02	1.84809996	0.02
05/03/05	Tm to BFDS	0.02	3,922	1.70544517	0.03	1.83978772	0.04
06/02/05	Tm to BFDS	0.02	3,893	1.69872669	0.03	1.83151287	0.04
07/05/05	Tm to BFDS	0.02	3,860	1.69111371	0.03	1.82214182	0.04
07/27/05	Tm to BFDS	56,774.06	3,838	1.68605735	95,724.32	1.81592127	103,097.22
08/02/05	Tm to BFDS	0.02	3,833	1.68491029	0.03	1.81451045	0.04
09/02/05	Tm to BFDS	0.02	3,803	1.67804429	0.03	1.80606852	0.04
10/04/05	Tm to BFDS	0.02	3,771	1.67075139	0.03	1.79710709	0.04
11/02/05	Tm to BFDS	0.02	3,743	1.66439611	0.03	1.78930231	0.04
12/02/05	Tm to BFDS	0.02	3,713	1.65781370	0.03	1.78097767	0.04
01/04/06	Tm to BFDS	0.03	3,681	1.65040959	0.05	1.77214073	0.05
01/27/06	Tm to BFDS	56,774.06	3,658	1.64525099	93,407.58	1.76581627	100,252.56
02/01/06	Tm to BFDS	8.80	3,654	1.64435549	14.47	1.76471867	15.53
02/02/06	Tm to BFDS	0.03	3,653	1.64413189	0.05	1.76444438	0.05
02/08/06	Tm to BFDS	(8.80)	3,647	1.64278953	(14.46)	1.76279952	(15.51)
03/02/06	Tm to BFDS	0.02	3,623	1.63743186	0.03	1.75623538	0.04
04/04/06	Tm to BFDS	0.03	3,591	1.63031546	0.05	1.74752121	0.05
05/02/06	Tm to BFDS	0.03	3,563	1.62411399	0.05	1.73993178	0.05
06/02/06	Tm to BFDS	0.03	3,533	1.61749574	0.05	1.73183883	0.05
07/05/06	Tm to BFDS	0.03	3,500	1.61024880	0.05	1.72297587	0.05
07/27/06	Tm to BFDS	56,774.06	3,478	1.60543223	91,148.91	1.71709377	97,486.38
08/02/06	Tm to BFDS	0.03	3,473	1.60434002	0.05	1.71575973	0.05
09/05/06	Tm to BFDS	0.03	3,440	1.59715004	0.05	1.70698103	0.05
10/03/06	Tm to BFDS	0.03	3,412	1.59107473	0.05	1.69956767	0.05
11/02/06	Tm to BFDS	0.04	3,383	1.58480680	0.06	1.69192349	0.07
12/04/06	Tm to BFDS	0.03	3,351	1.57791912	0.05	1.68352842	0.05
01/03/07	Tm to BFDS	0.03	3,322	1.57170301	0.05	1.67595638	0.05
01/29/07	Tm to BFDS	57,404.88	3,296	1.56615078	89,904.70	1.66919661	95,820.03
02/05/07	Tm to BFDS	0.03	3,290	1.56487228	0.05	1.66764054	0.05
03/02/07	Tm to BFDS	0.03	3,263	1.55913195	0.05	1.66065615	0.05
04/03/07	Tm to BFDS	0.04	3,232	1.55256715	0.06	1.65267311	0.07
05/02/07	Tm to BFDS	0.03	3,203	1.54645092	0.05	1.64523984	0.05
06/04/07	Tm to BFDS	0.03	3,171	1.53972994	0.05	1.63707642	0.05
07/03/07	Tm to BFDS	0.03	3,142	1.53368428	0.05	1.62971330	0.05

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Schedule G2 - Reserve Account
Net Nonpurpose Investments Cash Flow

Fund 2

Date	Description	Net Nonpurpose Investments Cash Flow	Muni-Days/ Computation Date	Rebate Calculations		IRR Calculations	
				FV Factor @ 4.960503%	FV As Of 03/25/16	FV Factor @ 5.674996%	FV As Of 03/25/16
07/30/07	Tm to BFDS	56,143.24	3,115	1.52803842	85,789.03	1.62288776	91,114.18
08/01/07	Tm to BFDS	8.80	3,114	1.52783046	13.44	1.62263551	14.28
08/02/07	Tm to BFDS	0.03	3,113	1.52762252	0.05	1.62238330	0.05
08/03/07	Correction	(8.80)	3,112	1.52741461	(13.44)	1.62213113	(14.27)
09/05/07	Tm to BFDS	0.03	3,080	1.52077635	0.05	1.61408237	0.05
10/02/07	Tm to BFDS	0.03	3,053	1.51519777	0.05	1.60732229	0.05
11/01/07	Tm to BFDS	0.03	3,024	1.50922876	0.05	1.60009300	0.05
12/03/07	Tm to BFDS	0.03	2,992	1.50266954	0.05	1.59215358	0.05
01/02/08	Tm to BFDS	0.02	2,963	1.49674988	0.03	1.58499252	0.03
01/30/08	Tm to BFDS	57,404.88	2,935	1.49105647	85,593.92	1.57810895	90,591.15
02/04/08	Tm to BFDS	0.02	2,931	1.49024490	0.03	1.57712803	0.03
03/03/08	Tm to BFDS	0.01	2,902	1.48437418	0.01	1.57003454	0.02
04/01/08	Tm to BFDS	0.01	2,874	1.47872785	0.01	1.56321594	0.02
05/01/08	Tm to BFDS	0.01	2,844	1.47270204	0.01	1.55594315	0.02
06/02/08	Tm to BFDS	0.01	2,813	1.46650117	0.01	1.54846347	0.02
07/01/08	Tm to BFDS	0.01	2,784	1.46072399	0.01	1.54149892	0.02
07/29/08	Tm to BFDS	56,774.06	2,756	1.45516762	82,815.77	1.53480424	87,137.07
08/01/08	Tm to BFDS	0.01	2,754	1.45477154	0.01	1.53432716	0.02
09/02/08	Tm to BFDS	0.01	2,723	1.44864617	0.01	1.52695140	0.02
10/01/08	Tm to BFDS	0.01	2,694	1.44293933	0.01	1.52008360	0.02
01/28/09	Tm to BFDS	56,458.65	2,577	1.42014259	80,179.33	1.49268785	84,275.14
08/04/09	Tm to BFDS	57,089.47	2,391	1.38464071	79,048.40	1.45014839	82,788.20
01/28/10	Tm to BFDS	56,143.24	2,217	1.35223317	75,918.75	1.41145161	79,243.47
07/28/10	Tm to BFDS	57,089.47	2,037	1.31950610	75,329.90	1.37250676	78,355.68
01/27/11	Tm to BFDS	56,458.65	1,858	1.28774636	72,704.42	1.33484395	75,363.49
02/01/11	Tm to BFDS	8.80	1,854	1.28704545	11.33	1.33401424	11.74
07/27/11	Tm to BFDS	56,774.06	1,678	1.25658002	71,341.15	1.29801287	73,693.46
01/27/12	Tm to BFDS	56,774.06	1,498	1.22616797	69,814.53	1.26219802	71,660.11
07/27/12	W/D	56,774.06	1,318	1.19649196	67,929.71	1.22737139	69,682.86
07/30/12	Deposit	(56,774.06)	1,315	1.19600349	(67,901.97)	1.22679916	(69,650.37)
07/31/12	Tm to BFDS	56,774.06	1,315	1.19600349	67,901.97	1.22679916	69,650.37
08/01/12	W/D	0.02	1,314	1.19584071	0.02	1.22660848	0.02
08/02/12	Deposit	(0.02)	1,313	1.19567796	(0.02)	1.22641782	(0.02)
01/29/13	W/D	57,404.88	1,136	1.16721639	67,003.92	1.19313470	68,491.75
01/30/13	Deposit	(57,404.88)	1,135	1.16705753	(66,994.80)	1.19294925	(68,481.11)
01/31/13	Tm to BFDS	56,774.06	1,135	1.16705753	66,258.59	1.19294925	67,728.57
02/01/13	W/D	0.03	1,134	1.16689869	0.04	1.19278383	0.04
02/04/13	Deposit	(0.03)	1,131	1.16642230	(0.03)	1.19220773	(0.04)
03/01/13	W/D	0.01	1,104	1.16214358	0.01	1.18721455	0.01
03/04/13	Deposit	(0.01)	1,101	1.16166914	(0.01)	1.18666104	(0.01)
04/01/13	W/D	0.01	1,074	1.15740785	0.01	1.18169108	0.01
04/02/13	Deposit	(0.01)	1,073	1.15725033	(0.01)	1.18150741	(0.01)
05/01/13	W/D	0.01	1,044	1.15269142	0.01	1.17619332	0.01
05/02/13	Deposit	(0.01)	1,043	1.15253454	(0.01)	1.17601050	(0.01)
06/03/13	W/D	0.01	1,012	1.14768174	0.01	1.17035723	0.01
06/04/13	Deposit	(0.01)	1,011	1.14752554	(0.01)	1.17017532	(0.01)
07/01/13	W/D	0.01	984	1.14331614	0.01	1.16527441	0.01
07/02/13	Deposit	(0.01)	983	1.14316053	(0.01)	1.16509329	(0.01)
07/30/13	Tm to BFDS	56,774.05	955	1.13881212	64,654.98	1.16003333	65,859.79
07/30/13	Tm to BFDS	630.92	955	1.13881212	718.50	1.16003333	731.89
08/01/13	NPR-w/d	0.01	954	1.13865713	0.01	1.15985302	0.01
08/02/13	NPR-deposit	(0.01)	953	1.13850215	(0.01)	1.15967274	(0.01)
01/30/14	Tm to BFDS	56,774.06	775	1.11125032	63,090.19	1.12802562	64,042.59
02/03/14	W/D	0.01	772	1.11079665	0.01	1.12749971	0.01
02/04/14	Deposit	(0.01)	771	1.11064547	(0.01)	1.12732446	(0.01)
05/08/14	Tm to BFDS	0.03	677	1.09652594	0.03	1.11097209	0.03
07/29/14	W/D	56,774.06	596	1.08450317	61,571.65	1.09707160	62,285.21
07/30/14	Deposit	(56,774.06)	595	1.08435557	(61,563.27)	1.09690108	(62,275.53)
08/01/14	Tm to BFDS	56,774.08	594	1.08420799	61,554.91	1.09673059	62,265.87

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Redlands Redevelopment Project
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Schedule G2 - Reserve Account
Net Nonpurpose Investments Cash Flow

Fund 2

Date	Description	Net Nonpurpose Investments Cash Flow	Muni-Days/ Computation Date	Rebate Calculations		IRR Calculations	
				FV Factor @ 4.960503%	FV As Of 03/25/16	FV Factor @ 5.674996%	FV As Of 03/25/16
08/04/14	Deposit	(0.02)	591	1.08376536	(0.02)	1.08621926	(0.02)
11/10/14	Trm to BFDS	0.02	495	1.06989632	0.02	1.07998228	0.02
01/28/15	Deposit	(56,458.65)	417	1.05839982	(59,755.82)	1.06696698	(60,239.52)
01/28/15	W/D	56,458.65	417	1.05839982	59,755.82	1.06696698	60,239.52
01/30/15	Trm to BFDS	58,774.06	415	1.05811174	60,073.30	1.06683532	60,557.22
02/02/15	Deposit	(315.39)	413	1.05782374	(333.63)	1.06630377	(336.30)
02/03/15	Deposit	(0.02)	412	1.05767977	(0.02)	1.06613803	(0.02)
07/29/15	Deposit	(315.43)	236	1.03264361	(325.73)	1.03736590	(327.22)
07/29/15	W/D	0.02	236	1.03264361	0.02	1.03736590	0.02
07/29/15	Trm to BFDS	57,089.47	236	1.03264361	58,953.08	1.03736590	59,222.67
01/27/16	Deposit	(56,143.24)	58	1.00792566	(56,588.21)	1.00905650	(56,651.70)
01/27/16	Trm to BFDS	56,143.24	58	1.00792566	56,588.21	1.00905650	56,651.70
02/01/16	Trm to BFDS	56,458.70	54	1.00737706	56,875.20	1.00842929	56,934.61
02/02/16	Deposit	(0.05)	53	1.00723995	(0.05)	1.00827255	(0.05)
03/15/16	Sale of GIC	2,204,652.25	10	1.00136203	2,207,655.06	1.00155565	2,208,081.91
03/15/16	Sale of GIC	311,347.75	10	1.00136203	311,771.82	1.00155565	311,832.10
03/15/16	Deposit	(2,516,000.00)	10	1.00136203	(2,519,426.88)	1.00155565	(2,519,914.00)
03/17/16	Trm to 2016 Escrow	2,516,000.07	8	1.00108948	2,518,741.20	1.00124432	2,519,130.79
03/25/16	Balance	0.00	0	1.00000000	0.00	1.00000000	0.00
Earnings:		<u>2,272,198.15</u>		Excess Earnings:	<u>441,065.51</u>		<u>0.00</u>

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Schedule H1 - Escrow Fund
Remaining Balance Analysis

Fund 3

Summary - Fund 3	
Gross Earnings:	\$56,159.14
Internal Rate of Return:	3.291962%
Excess Earnings:	(\$65,527.99)

Security Type	Par Amount	Coupon	Maturity Date	Settlement Date	Settlement Price	Yield	Accreted Price	Accrued Interest	Computation Date Value
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00

Value as of March 25, 2016: **0.00**

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Redevelopment Agency of the City of Redlands
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Schedule H2 - Escrow Fund	Fund 3
Net Nonpurpose Investments Cash Flow	

Date	Description	Net Nonpurpose Investments Cash Flow	Muni-Days/ Computation Date	Rebate Calculations		IRR Calculations	
				FV Factor @ 4.960503%	FV As Of 03/25/16	FV Factor @ 3.291962%	FV As Of 03/25/16
12/08/98	Deposit	(28,117,677.71)	6,227	2.33394821	(65,625,203.48)	1.75906527	(49,460,830.25)
12/08/98	Prior Bond Proceeds	(2,143,101.16)	6,227	2.33394821	(5,001,887.11)	1.75906527	(3,769,854.81)
12/08/98	Uninvested Cash	1,218.40	6,227	2.33394821	2,843.68	1.75906527	2,143.25
12/31/98	Escrow Receipt	30,320,000.00	6,205	2.32696980	70,553,724.44	1.75555877	53,228,541.82
03/25/16	Balance	0.00	0	1.00000000	0.00	1.00000000	0.00
Earnings:		60,439.53		Excess Earnings:	(70,522.47)		0.00
% Allocable:		92.918%¹		% Allocable:	92.918%¹		92.918%¹
Adjusted Earnings:		56,159.14		Adjusted Earnings:	(65,527.99)		0.00
Total Adjusted Earnings:		<u>56,159.14</u>		Total Adjusted Excess Earnings:	<u>(65,527.99)</u>		<u>0.00</u>

¹ See Schedule H3 - Commingled Fund Adjustment Analysis.

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Tax Allocation Refunding Bonds
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Schedule H3 - Escrow Fund Commingled Fund Adjustment Analysis	Fund 3
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Date	Description	Bond Proceeds	Prior Bonds Proceeds	Total Proceeds	% Allocable to Bond Proceeds	% Allocable to Prior Bonds Proceeds
12/08/98	Deposit	28,117,677.71	2,143,101.16	30,260,778.87	92.918%	7.082%

**Arbitrage Rebate, Yield Reduction
 and Penalty in Lieu of Arbitrage Rebate**
 Under Sections 143(g)(3) and 148(f)
 and Section 103(c)(6)(D) of the Internal Revenue Code of 1954

OMB No. 1545-1219

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name Redevelopment Agency of the City of Redlands (County of San Bernardino)		2 Issuer's employer identification number (EIN) 95:6000766	
3 Number and street (or P.O. box no. if mail is not delivered to street address) P.O. Box 3005	Room/suite	4 Report number (For IRS Use Only) 7	
5 City, town, or post office, state, and ZIP code Redlands, CA 92373		6 Date of issue 12/08/1998	
7 Name of Issue Redlands Redevelopment Project Tax Allocation Refunding Bonds Series 1998A		8 CUSIP number 757593EK0	
9 Name and title of officer of the issuer or other person whom the IRS may call for more information Tina T. Kundig - Finance Director		10 Telephone number of officer or other person 909-798-7543	
11 Type of issue Public Infrastructure		Issue price	11 31,239,938.00

Part II Arbitrage Rebate and Yield Reduction Payments		Amount	
12 Computation date to which this payment relates (MM/DD/YYYY) 03/25/2016			
13 Arbitrage rebate payment (see instructions) <input type="checkbox"/> check box if less than 100% of rebate amount		13	316,344.21
14 Yield reduction payment (see instructions) <input type="checkbox"/> check box if less than 100% of yield reduction amount		14	
15 Rebate payment from Qualified Zone Academy Bond (QZAB) defeasance escrow (see instructions)		15	

Part III Penalty in Lieu of Arbitrage Rebate			
16 Number of months since date of issue: <input type="checkbox"/> 6 mos <input type="checkbox"/> 12 mos <input type="checkbox"/> 18 mos <input type="checkbox"/> 24 mos <input type="checkbox"/> Other. No. of mos <input type="checkbox"/> _____			
17 Penalty in lieu of rebate		17	
18 Date of termination election (MM/DD/YYYY)			
19 Penalty upon termination		19	

Part IV Late Payments			
20 Does failure to pay timely qualify for waiver of penalty (see instructions) Yes <input type="checkbox"/> No <input type="checkbox"/>			
21 Penalty for failure to pay on time (see instructions)		21	
22 Interest on underpayment (see instructions)		22	

Part V Total Payment			
23 Total payment. Add lines 13, 14, 15, 17, 19, 21, and 22. Enter total here		23	316,344.21

Part VI Miscellaneous				
24 Unspent proceeds as of this computation date		24	0.00	
25 Proceeds used to redeem bonds		25	2,516,000.07	
26 Gross proceeds used for qualified administrative costs for guaranteed investment contracts (GICs) and defeasance escrows		26	0.00	
27 Fees paid for a qualified guarantee		27	436,000.00	
28 Is the issue a variable rate issue?		28	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
29 Did the issuer enter into a hedge? Name of provider _____ Term of hedge _____		29	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
30 Were gross proceeds invested in a GIC? Name of provider AIG Term of GIC 22.7 Years		30	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
31 Were any gross proceeds invested beyond an available temporary period?		31	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
32 Calculations for filing of this form prepared by: <input type="checkbox"/> Issuer <input checked="" type="checkbox"/> Preparer: BLX Group LLC				

Signature and Consent

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative _____ Date _____

Tina T. Kundig
 Finance Director
 Type or print name and title

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name	Firm's EIN			
	Firm's address	Phone no.			



INSTRUCTIONS FOR FILING IRS 8038-T FORM

Attached is a partially completed IRS 8038-T Form which must be remitted with any payment to the IRS for yield reduction payment, arbitrage rebate payment or penalty in lieu of arbitrage rebate payments. To file, please follow the steps as described below.

1. Please provide the information for the highlighted areas, including certain information from bond closing documents and the signature of an authorized representative.
2. Prepare one check or money order to the "United States Treasury" for the amount on Line 23 which is equal to the sum of the amount(s) shown on Line Item(s) 13 and 15 (for Arbitrage Rebate Payment), 14 (for Yield Reduction Payment), 17 and 19 (for Penalty in Lieu of Rebate Payment), and 21, and 22 (for Late payments), as applicable. **In order to ensure the payment is properly accounted for, write "Form 8038-T", the issuer's name, address, EIN, and the date on the check or money order.**
3. If you are required to pay an additional amount identified on Line 22 (interest on underpayment), you are required to submit a "Late Payment Explanation". Such explanation has been provided, please see Exhibit B attached.
4. Send the Check or money order, the original IRS Form 8038-T and the "Late Payment Explanation" (if applicable) to the Internal Revenue Service via **priority overnight mail** at the following address:

Internal Revenue Service Center
Ogden, UT 84201-0027

Please note, a copy of the report is **not** required to be sent to the IRS.

This must be postmarked no later than May 24, 2016.

Please maintain copies of all documents for your records. Should you have any questions, please contact your BLX Group LLC representative.