

# AGENDA

## OVERSIGHT BOARD MEETING

### FONTANA REDEVELOPMENT SUCCESSOR AGENCY

**FRIDAY, AUGUST 18, 2017**  
**8:30 A.M.**

**Fontana City Hall**  
**Executive Conference Room**  
**8353 Sierra Avenue**  
**Fontana, CA 92335**

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**EVELYNE SSENKOLOTO, Chair**  
City of Fontana  
Employee Appointment

**ACQUANETTA WARREN, Vice-Chair**  
City of Fontana  
Mayor Appointment

**RANDAL S. BASSETT**  
Fontana Unified School District  
County Superintendent of Education Appointment

**DR. ERIC BISHOP**  
Chaffey College District  
Chaffey College Appointment

**LAURA A. MANCHA**  
County of San Bernardino  
Board of Supervisors Appointment  
Public Member Appointment

**KATHRYN BRANN**  
County of San Bernardino  
Board of Supervisors Appointment

**JOHN B. ROBERTS**  
City of Fontana  
Fontana Fire Protection District Appointment

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In compliance with the Americans with Disabilities Act, the City of Fontana is wheelchair accessible. If other special Assistance is required, please contact the Fontana City Clerk's Office (909-350-7602) 48 hours prior to the scheduled meeting so the Oversight Board can make reasonable arrangements.



**CITY OF FONTANA**  
**OVERSIGHT BOARD MEETING/FONTANA SUCCESSOR AGENCY**  
**August 18, 2017**  
**City Hall - Executive Conference Room**  
**8353 Sierra Avenue**  
**Fontana, CA 92335**  
**8:30 AM**

**Welcome to a meeting of the Fontana Oversight Board.** A complete agenda packet is located in the binder on the table in the City Hall Executive Conference Room, 8353 Sierra Avenue, Fontana, CA 92335. To address the Board, please fill out a card located at the entrance to the left indicating your desire to speak on either a specific agenda item or under Public Communications and give it to the Board Secretary. Your name will be called when it is your turn to speak. In compliance with Americans with Disabilities Act, the Executive Conference Room, 8353 Sierra Avenue, Fontana, CA 92335 is wheel chair accessible and a portable microphone is available.

Traduccion en Espanol disponible a peticion. Favor de notificar al Departamento "City Clerk". Para mayor informacion, favor de marcar el numero (909) 350-7602.

**CALL TO ORDER/ROLL CALL:**

**A. 8:30 A.M Call the Meeting to Order**

**PUBLIC COMMUNICATIONS:**

**This is an opportunity** for citizens to speak to the Oversight Board for up to 5 minutes on items not on the Agenda, but within the Board's jurisdiction. The Board is prohibited by law from discussing or taking immediate action on non-agendized items.

**A. Public Communications**

**CONSENT CALENDAR:**

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below - there will be no separate discussion on these items prior to the

time the Board votes on them, unless a member of the Board requests a specific item be removed from the Consent Calendar for discussion. **Does any member of the public wish to address the Board regarding any item on the Consent Calendar before the vote is taken?**

**A. Approval of Minutes**

Approve the minutes of the January 20, 2017 Oversight Board Meeting.

**Approve Consent Calendar Item(s).**

**NEW BUSINESS:**

**A. Proposed Tax Allocation Refunding Bonds, 2017A and 2017B (Federally Taxable)**

Adopt **Resolution No. FOB 2017-\_\_\_\_** of the Oversight Board to the Successor Agency to the Fontana Redevelopment Agency approving the issuance and sale of Tax Allocation Refunding Bonds by the Successor Agency to the Fontana Redevelopment Agency and authorizing certain other actions in connection therewith

**B. Amended Recognized Obligation Payment Schedule (ROPS) 17-18B**

1. Adopt **Resolution No. FOB 2017-\_\_\_\_** of the Oversight Board of the Successor Agency to the dissolved Fontana Redevelopment Agency, approving an Amendment to the Recognized Obligation Payment Schedule for July 1, 2017 through June 30, 2018 pursuant to Health and Safety Code Section 34177(o)(1)(E)

2. Determine that this action is exempt from the California Environmental Quality Act (CEQA), and direct staff to file a Notice of Exemption.

**BOARD MEMBER REPORTS:**

**A. Board Member Reports**

**STAFF COMMUNICATIONS:**

**A. Staff Communications**

**ADJOURNMENT:**

**A. Adjournment**

**MINUTES OF THE OVERSIGHT BOARD  
FONTANA REDEVELOPMENT SUCCESSOR AGENCY  
FRIDAY, JANUARY 20, 2017**

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**CALL TO ORDER/ROLL CALL:**

The Meeting of the Oversight Board, Fontana Redevelopment Successor Agency, was called to order at 8:33 a.m., which was held on Friday, August 20, 2017, in the Fontana City Hall, Executive Conference Room, 8353 Sierra Avenue, Fontana, California.

OSB Members Present: OSB Members John Roberts, Dr. Eric Bishop, Laura Mancha, Kathryn Brann, and Randal S. Bassett (arrival at 8:35 a.m.)

OSB Members Absent: Chair Evelyne Ssenkoloto, and Vice-Chair Acquanetta Warren

OSB Staff Present: Ken Hunt, City Manager; David Edgar, Deputy City Manager, Administrative Services; Kimberly Solorio, Administrative Clerk

**PUBLIC COMMUNICATIONS:** There were no public communications received.

**CONSENT ITEMS (A-B):**

**A. APPROVAL OF MINUTES FOR AUGUST 19, 2016, FONTANA OVERSIGHT BOARD MEETING**

**ACTION:** Motion was made by OSB Member Bishop, and seconded by OSB Member Brann to approve the August 19, 2016, Minutes of the Oversight Board Meeting, Fontana Redevelopment Successor Agency, and passed by a vote of 4-0-3 (AYES: OSB Members Roberts, Bishop, Mancha, and Brann; NOES: 0; ABSENT: OSB Members Ssenkoloto, Warren and Bassett).

**B. RESOLUTION APPROVING RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 17-18 FROM JULY 1, 2017 THROUGH JUNE 30, 2018**

1. Adopt **Resolution No. FOB 2017-001** by the Oversight Board for Successor Agency to the Fontana Redevelopment Agency approving a Recognized Obligation Payment Schedule pursuant to Health and Safety Code Sections 34177(l) and (o) for July 1, 2017, through June 30, 2018;
2. Determine that this action is exempt from the California Environmental Quality Act (CEQA), and direct staff to file a Notice of Exemption.

Lisa Strong, Management Services Director, presented a staff report on the Recognized Obligation Payment Schedule (ROPS 17-18), and outlined the items contained in the report. *Ms. Strong noted it was required to submit an annual ROPS instead of a six*

*months ROPS, and that no new items had been added.*

**ACTION:** Motion was made by OSB Member Bishop, and seconded by OSB Member Brann and passed by a vote of 4-0-3 to approve Consent Calendar Item “CC-B” (AYES: OSB Members Roberts, Bishop, Mancha, and Brann; NOES: 0; ABSENT: OSB Members Ssenkoloto, Warren and Bassett).

**STAFF/BOARD MEMBER COMMUNICATION:**

**ADJOURNMENT:**

OSB Members Roberts announced that the next Fontana Oversight Board Meeting would be held on a date to be determined in the Fontana City Hall, Executive Conference Room, located at 8353 Sierra Avenue, Fontana, CA 92335. The OSB Meeting was adjourned at 8:36 a.m.

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John Roberts  
Secretary

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Evelyne Ssenkoloto  
Chair

**ACTION REPORT**  
**August 18, 2017**

**FROM:** Department of Management Services

**SUBJECT:** Proposed Tax Allocation Refunding Bonds, 2017A and 2017B  
(Federally Taxable)

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**RECOMMENDATION:**

Adopt **Resolution No. FOB 2017-\_\_\_\_** of the Oversight Board to the Successor Agency to the Fontana Redevelopment Agency approving the issuance and sale of Tax Allocation Refunding Bonds by the Successor Agency to the Fontana Redevelopment Agency and authorizing certain other actions in connection therewith

**DISCUSSION:**

AB 1X 26 dissolved the Fontana Redevelopment Agency as of February 1, 2012. The prior Agency, including its redevelopment powers, assets and obligations, was transferred on February 1, 2012 to the Successor Agency to the Fontana Redevelopment Agency.

California Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that: (i) the total interest cost to maturity on the refunding bonds or other indebtedness, plus the principal amount of the refunding bonds or other indebtedness, does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded, plus the remaining principal of the bonds or other indebtedness to be refunded; and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance.

The Successor Agency intends to issue tax allocation refunding bonds in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations, and to irrevocably set aside a portion of the proceeds of such 2017 Bonds in a separate segregated trust fund which will be used to refund the outstanding Prior Obligations being refunded, to pay costs in connection with the issuance of the 2017 Bonds and to make certain other deposits as required by the Indenture.

**Prior Obligations to be refunded (\$245,390,000 total):**

- 1998 Tax Allocation Refunding Bonds (Southwest Industrial Park Redevelopment Project)

- 2000 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)
- 2001 Series A Tax Allocation Revenue Bonds (North Fontana Redevelopment Project)
- 2003 Series A Tax Allocation Revenue Bonds (North Fontana Redevelopment Project)
- 2003 Series B Taxable Tax Allocation Revenue Bonds (North Fontana Redevelopment Project)
- 2003 Subordinate Tax Allocation Bonds Series A (Southwest Industrial Park Redevelopment Project)
- 2004 Tax Allocation Bonds (Sierra Corridor Commercial Redevelopment Project)
- 2005 Subordinate Lien Tax Allocation Revenue Bonds Series A (North Fontana Redevelopment Project)
- 2007 Tax Allocation Bonds (Sierra Corridor Commercial Redevelopment Project)

The 2017 Bonds will be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

Attached is the Debt Service Savings Analysis memorandum prepared by CSG Advisors Incorporated, Municipal Advisor to the Successor Agency to the Fontana Redevelopment Agency.

**FISCAL IMPACT:**

Preliminary reports indicate NPV savings of \$34 million or 14.01%. These savings will benefit not only the City of Fontana General Fund and Fontana Fire District, but other taxing entities including school districts.

**MOTION:**

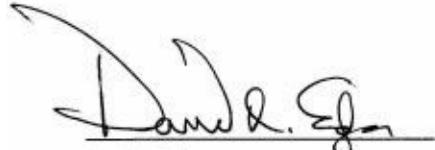
Approve staff recommendation.

**SUBMITTED BY:**

**REVIEWED BY:**



Lisa Strong  
Management Services Director



David R. Edgar  
Deputy City Manager

**APPROVED BY:**



Kenneth R. Hunt  
City Manager

**ATTACHMENTS:**

| Description:   | Type:           |
|--|-----------------|
| <a href="#">Proposed Resolution</a>                      | Resolution      |
| <a href="#">Debt Service Savings Analysis memorandum</a> | Backup Material |

**ITEM: NB-A**



**RESOLUTION NO. FOB 2017-\_\_\_\_\_**

**RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FONTANA REDEVELOPMENT AGENCY APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE FONTANA REDEVELOPMENT AGENCY AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Fontana Redevelopment Agency (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**, Redevelopment Plans for the North Fontana Redevelopment Project, Downtown Redevelopment Project, Southwest Industrial Park Project, Sierra Corridor Commercial Redevelopment Project and Jurupa Hills Redevelopment Project were adopted and approved, and subsequently amended, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plans, as amended, have been duly complied with; and

**WHEREAS**, the Prior Agency has previously incurred the obligations listed on Exhibit A hereto (collectively, the “**Prior Obligations**”); and

**WHEREAS**, on June 28, 2011, the California Legislature adopted ABx1 26 (the “**Dissolution Act**”) and ABx1 27 (the “**Opt-in Bill**”); 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 Fontana Redevelopment Agency (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**, California Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that: (i) the total interest cost to maturity on the refunding bonds or other indebtedness, plus the principal amount of the refunding bonds or other indebtedness, does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded, plus the remaining principal of the bonds or other indebtedness to be

**Resolution No. FOB 2017-**

refunded; and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance; and

**WHEREAS**, the Successor Agency authorized and approved the issuance of tax allocation refunding bonds (the “**2017 Bonds**”) on August 8, 2017 pursuant to Resolution No. 2017-003, (the “**Successor Agency Resolution**”) in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations, and to irrevocably set aside a portion of the proceeds of such 2017 Bonds in a separate segregated trust fund which will be used to refund the outstanding Prior Obligations being refunded, to pay costs in connection with the issuance of the 2017 Bonds and to make certain other deposits as required by the Indenture (as defined below); and

**WHEREAS**, the 2017 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “**Bond Law**”); and

**WHEREAS**, this Oversight Board of the Successor Agency to the Fontana Redevelopment Agency (the “**Oversight Board**”) desires to approve all matters relating to the issuance and sale of the 2017 Bonds as required by Sections 34177.5 (f) and 34180 of the Health and Safety Code of the State of California.

**NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FONTANA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** Each of the foregoing recitals is true and correct.

**Section 2.** The issuance by the Successor Agency to the Fontana Redevelopment Agency of the 2017 Bonds in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations listed on Exhibit A for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2017 Bonds pursuant to the Indenture approved by Section 2 of the Successor Agency Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved. The 2017 Bonds may be issued as a single issue, or from time to time in separate series, as the Successor Agency shall determine. The approval of the issuance of the 2017 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2017 Bonds and the sale of the 2017 Bonds at a public or private sale.

**Section 3.** The Successor Agency is authorized and directed to prepare, approve and execute such other documents, including, as necessary, a Bond Purchase Agreement, an Official Statement, a Continuing Disclosure Certificate, Escrow Agreements and/or irrevocable refunding instructions for the Prior Obligations and any

**Resolution No. FOB 2017-**

additional agreements as may be required to carry out the purposes hereof without the need for any further approval from the Oversight Board.

**Section 4.** The Chairperson of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Oversight Board are hereby authorized and directed to execute such documents and certificates as they determine are necessary or appropriate to assist the Successor Agency in the issuance of the 2017 Bonds.

**Section 5.** Pursuant to the provisions of California Health and Safety Code Section 34177.5(f), the Successor Agency is expressly authorized to recover its related costs in connection with the transaction approved hereby, irrespective of whether the 2017 Bonds are issued.

**Section 6.** This Resolution shall take effect immediately upon its adoption.

**APPROVED and ADOPTED** this 18<sup>th</sup> day of August, 2017.

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Evelyne Ssenkoloto, Chairperson  
Oversight Board of the Successor Agency to the  
Fontana Redevelopment Agency

**ATTEST:**

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John Roberts, Secretary  
Oversight Board of the Successor Agency to the  
Fontana Redevelopment Agency

I, John Roberts, acting as the Secretary of the Oversight Board of the Successor Agency to the Fontana Redevelopment Agency, do hereby certify that the foregoing Resolution is the actual Resolution duly and regularly adopted by the Oversight Board of the Successor Agency to the Fontana Redevelopment Agency at a regular meeting on the 18<sup>th</sup> day of August, 2017, by the following vote to-wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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John Roberts, Oversight Board Secretary

I certify that the foregoing Resolution was passed and adopted by the Oversight Board to the Successor Agency to the Fontana Redevelopment Agency, at a regular meeting held on August 18, 2017 by the following vote:

## EXHIBIT A

### PRIOR OBLIGATIONS

1. Fontana Redevelopment Agency 1998 Tax Allocation Refunding Bonds (Southwest Industrial Park Project).
2. Fontana Redevelopment Agency 2003 Subordinate Tax Allocation Bonds (Southwest Industrial Park Project) Series A.
3. Parity Loan Agreement, dated as of March 1, 2001, between the Fontana Public Financing Authority (the “**Authority**”) and the Former Agency.
4. Parity Loan Agreement, dated as of October 1, 2003, between the Authority and the Former Agency.
5. Subordinate Loan Agreement, dated as of February 1, 2005, between the Authority and the Former Agency.
6. Fontana Redevelopment Agency 2005 Subordinate Lien Tax Allocation Bonds (North Fontana Redevelopment Project).
7. Fontana Redevelopment Agency 2004 Tax Allocation Bonds (Sierra Corridor Commercial Redevelopment Project).
8. Fontana Redevelopment Agency 2007 Tax Allocation Bonds (Sierra Corridor Commercial Redevelopment Project).
9. Fontana Redevelopment Agency 2000 Tax Allocation Refunding Bonds (Downtown Redevelopment Project).

*Via Email Delivery***MEMORANDUM**

To: Oversight Board to the Successor Agency to the Fontana Redevelopment Agency

Date: July 20, 2017

From: Scott Smith, CSG Advisors Incorporated, Municipal Advisor to the Successor Agency to the Fontana Redevelopment Agency

RE: Debt Service Savings Analysis for Proposed Tax Allocation Refunding Bonds, Series 2017A & 2017B (Federally Taxable)

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**Background**

*Purpose of this Report.* CSG Advisors Incorporated (CSG) is an Independent Registered Municipal Advisor (IRMA) registered with both the Securities & Exchange Commission and the Municipal Securities Rulemaking Board. CSG has significant experience with tax increment financing, including post-Redevelopment Dissolution refinancing in California. The Successor Agency to the Fontana Redevelopment Agency (the Successor Agency) has requested that CSG prepare this Debt Service Savings Analysis in conformance with California Health & Safety Code Section 34177.5(h) of the Redevelopment Dissolution Act (the Savings Analysis). This Savings Analysis summarizes the potential savings that will accrue to the Successor Agency and applicable taxing entities as a result of the issuance of the proposed Debt Service Savings Analysis for Proposed Tax Allocation Refunding Bonds, Series 2017A & 2017B (Federally Taxable) (collectively, the 2017 Bonds) as described below. The 2017 Bonds are proposed to refund all or a portion of certain bond obligations of the Successor Agency and thereby refund related bonds, and the following discussion summarizes how the issuance of the 2017 Bonds meets the applicable requirements of the Dissolution Act.

*Dissolution Act; Successor Agency.* On June 28, 2011, the California Legislature adopted ABx1 26 (the Dissolution Act), which provided for the dissolution of all redevelopment agencies and was subsequently upheld by the California Supreme Court. As a result of the Dissolution Act, all redevelopment agencies in the State were dissolved as of February 1, 2012, including the Fontana Redevelopment Agency (the Prior Agency). On that date, the powers, assets, and obligations of the Prior Agency were transferred to the Successor Agency and the Successor Agency was designated as the successor to the Prior Agency to expeditiously wind down its affairs. The Dissolution Act was subsequently amended, pursuant to AB 1484, to permit the refinancing of continuing enforceable obligations of the Successor Agency under certain conditions summarized below.

*Applicable Power to Issue Bonds under the Dissolution Act* – Section 34177.5(a)(1) of the Health & Safety Code, which was added to the Dissolution Act by AB 1484, authorizes a successor agency to issue bonds of the successor agency to provide savings to the successor agency, provided that:

- (A) The total interest cost plus the principal amount to maturity on the refunding bonds shall not exceed the total remaining interest cost and principal to maturity on 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.

*Further Requirements* - Section 34177.5(h) further requires the Successor Agency to:

- (A) make diligent efforts to ensure that the lowest long-term cost financing is obtained;
- (B) ensure the financing does not provide for any bullets or spikes and shall not use variable rates;

- (C) make use of an independent financial advisor in developing financing proposals; and
- (D) make available the work products of the financial advisor to the Department of Finance at its request.

*Pledge of Tax Increment Revenues.* The Dissolution Act provides two methods of pledging revenues allocated to successor agencies for such refunding bonds:

- (A) Under Section 34177.5(a)(1) – The successor agency may pledge to such refunding bonds the revenues pledged to the bonds being refunded and, such pledge, when made in connection with the issuance of such refunding bonds, shall have the same lien priority as the pledge thereof in respect of the bonds to be refunded, and shall be valid and binding and enforceable in accordance with its terms (the Prior Lien Priority Pledge).
- (B) Under Section 34177.5(g) – Any bonds authorized by this section shall be considered indebtedness incurred by the dissolved redevelopment agency, with the same legal effect as if the bonds had been issued, incurred, or entered into prior to June 29, 2011, in full conformity with the applicable provisions of the Community Redevelopment Law that existed prior to that date, shall be included in the successor agency's Recognized Obligation Payment Schedule, and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund (the RPTTF) established pursuant to the Dissolution Act (the RPTTF Pledge).

The Successor Agency obligations to be refunded are paid from tax revenues from four component project areas (collectively, the Project Areas):

- The Downtown Redevelopment Project (Downtown);
- The North Fontana Redevelopment Project (North Fontana);
- The Sierra Corridor Commercial Redevelopment Project (Sierra Corridor); and
- The Southwest Industrial Park Project (SWIP).

The total acreage contained within the Project Areas is approximately 15,000 acres, including over 24,000 parcels. Project Area assessed values for FY 2016-17 total \$10.6 billion and the incremental valuation is \$9.7 billion (or 92% of total assessed valuation). Based on estimates of the Fiscal Consultant, HdL Coren & Cone, Gross Tax Increment for FY 2016-17 prior to County fees and collection charges and pass-through payments is \$101.9 million.

The Successor Agency has additional bond obligations outstanding for a fifth component project area – the Jurupa Hills Redevelopment Project (Jurupa Hills). Tax revenues of Jurupa Hills are pledged first to outstanding bonds of the project area and all remaining revenues are pledged to participating owners of an Owner Participation Agreement. Because all revenues are pledged to these obligations, no RPTTF revenues of Jurupa Hills are available to pay debt service for the 2017 Bonds. Assuming the Successor Agency pursues refunding of these obligations in the future, it would do so under a Prior Lien Priority Pledge.

*2017 Plan of Finance.* As of the date of this report, the Successor Agency intends to refund the following outstanding obligations (the Prior Bonds):

**TABLE 1**  
**Summary of Bonds to be Refunded (Excludes Principal Maturities to be Paid due 9/1 or 10/1 2017)**

| Project Area              | Bond Series                                      | Approx. Amount Outstanding |
|---------------------------|--|----------------------------|
| Downtown                  | 2000 Tax Allocation Refunding Bonds              | \$3,230,000                |
| North Fontana             | 2001 Series A Tax Allocation Bonds [1]           | \$14,015,000               |
|                           | 2003 Series A Tax Allocation Bonds [1]           | \$40,440,000               |
|                           | 2003 Series B Tax Allocation Bonds (Taxable) [1] | \$7,550,000                |
|                           | 2005 Series A Tax Allocation Bonds [1]           | \$100,635,000              |
| Sierra Corridor           | 2004 Tax Allocation Bonds                        | \$10,065,000               |
|                           | 2007 Tax Allocation Bonds                        | \$32,500,000               |
| Southwest Industrial Park | 1998 Tax Allocation Bonds                        | \$23,775,000               |
|                           | 2003 Series A Tax Allocation Bonds               | \$13,180,000               |
|                           | <b>Total</b>                                     | <b>\$245,390,000</b>       |

[1] The North Fontana 2001, 2003 & 2005A bonds were issued by the Fontana Public Financing Authority, and in each case the Agency is refunding its obligations under applicable loan or indenture agreements, which secure payment of the PFA bonds based on a pledge of North Fontana tax increment revenues. In each case, the aggregate principal and interest of the PFA bonds are equal to the underlying aggregate Agency loan or bond payment schedules.

The Successor Agency has considered the refinancing of the Prior Bonds with the primary objective to maximize aggregate savings. The Successor Agency engaged in a competitive process and appointed Stifel Nicolaus & Co. (Stifel) as Senior Manager, and Piper Jaffray & Co. and Stern Brothers & Co. as Co-Managers of the Underwriting team for the issuance. Stifel, with review by CSG, has provided financial analysis attached as Attachment A, which demonstrates that assuming current interest rates as of June 13, 2017 plus 50 bps (for market fluctuation), the Prior Bonds could be refunded for significant savings. The optimal approach to achieve such savings is to issue the 2017 Bonds based on the RPTTF Pledge, and to further secure the 2017 Bonds with a reserve fund surety policy. CSG, as Financial Advisor to the Successor Agency, concurs with this approach. The use of RPTTF Revenues from the combination of project areas significantly improves credit quality as relates to each of the Prior Bond series based on how rating agencies and prospective investors evaluate such tax allocation bond obligations. The consolidated refunding also eases administrative burden related to managing the ROPS process, ensuring timely payment on the Successor Agency's bond obligations and filing of continuing disclosure to bondholders.

## Overview of Refunding Savings

*Refunding Economics.* The refunding of the Prior Bonds is intended to meet the savings parameters required under the Dissolution Act, which is that the total principal and interest of the 2017 Bonds is less than the total principal and interest of the Prior Bonds (the Savings Parameters). Further, the proceeds of the 2017 Bonds are used only to pay off the portion of the Prior Bonds listed in Table 1, to obtain a reserve fund surety policy, and pay costs of issuance.

A preliminary refunding analysis prepared by Stifel based on municipal market conditions as of June 16, 2017 is attached as **Attachment A**. Due to market volatility and an anticipated long lead time until the actual issuance date, market interest rates were increased by an additional 50 basis points (bps) or 0.50%. In this analysis, the 2017 Bonds are assumed to close on October 4, 2017 (which is a preliminary date but subject to timing of State Department of Finance review). Additional key assumptions are that the 2017 Bonds will achieve a rating of "AA-" and will qualify for a reserve fund surety. The reserve fund surety cost is assumed to be 3.5% of the reserve fund requirement (which is based on the lesser of (a) maximum annual debt service, (b) 125% of average annual debt service, or (c) 10% of the Par Amount).

**Table 2** summarizes the estimated Sources and Uses of Funds for the 2017 Bonds.

**TABLE 2**  
**Estimated Sources and Uses of Funds**  
**Market Conditions as of 5/15/2017 +50 bps**  
**Assumes "AA-" S&P Rating with Reserve Fund Surety**

| Source of Funds            | 2017 Series A    | 2017 Series B<br>Federally Taxable | Total            |
|----------------------------|------------------|------------------------------------|------------------|
| Bond Proceeds:             |                  |                                    |                  |
| Par Amount                 | \$207,940,000.00 | \$7,700,000.00                     | \$215,640,000.00 |
| Net Premium/(Discount)     | 29,937,904.25    | 0.00                               | 29,937,904.25    |
| Other Sources of Funds:    | 237,877,904.25   | 7,700,000.00                       | 245,577,904.25   |
| Prior Debt Service Reserve | 3,379,450.13     | 0.00                               | 3,379,450.13     |
| Total Sources              | \$241,257,354.38 | \$7,700,000.00                     | \$248,957,354.38 |
| <b>Uses of Funds</b>       |                  |                                    |                  |
| Refunding Escrow Deposits  |                  |                                    |                  |
| SLGS Purchases*            | \$239,287,925.00 | \$7,628,107.00                     | \$246,916,032.00 |
| Cash Deposit               | 3.61             | 0.35                               | 3.96             |
| Delivery Date Expenses     | 239,287,928.61   | 7,628,107.35                       | 246,916,035.96   |
| Cost of Issuance           | 578,575.40       | 21,424.60                          | 600,000.00       |
| Underwriter's Discount     | 696,141.92       | 25,778.08                          | 721,920.00       |
| Reserve Surety (3.5%)      | 692,299.57       | 25,635.79                          | 717,935.36       |
|                            | 1,967,016.89     | 72,838.47                          | 2,039,855.36     |
| Additional Proceeds        | 2,408.88         | (945.82)                           | 1,463.06         |
| Total Uses                 | \$241,257,354.38 | \$7,700,000.00                     | \$248,957,354.38 |

\* For sizing estimates, escrow securities were assumed as state and local government securities (SLGS). Final defeasance securities will be determined prior to pricing of the bonds.

Source: Stifel, See Attachment A.

**Table 3** summarizes key bond refunding savings statistics for the 2017 Bonds both by series and in aggregate.

**Table 3**  
**Estimated Refunding Savings Statistics**

| Prior Bond Series                        | Refunding Par Amount    | Par Amount of Bonds Refunded | Prior Avg. Bond Rate [1] | New Bond Rate [2] | NPV Savings [3]        | % Savings [4] |
|--|-------------------------|------------------------------|--------------------------|-------------------|------------------------|---------------|
| <b>2017 Series A</b>                     |                         |                              |                          |                   |                        |               |
| SWIP 1998                                | \$21,110,000.00         | \$23,775,000.00              | 5.00%                    | 2.78%             | \$3,192,250.50         | 13.43%        |
| Downtown 2000                            | 2,185,000.00            | 3,230,000.00                 | 5.00%                    | 2.02%             | 12,210.63              | 0.38%         |
| North Fontana 2001A                      | 13,465,000.00           | 14,015,000.00                | 5.19%                    | 2.06%             | 911,687.55             | 6.51%         |
| North Fontana 2003A                      | 35,360,000.00           | 40,440,000.00                | 5.43%                    | 3.28%             | 7,958,688.72           | 19.68%        |
| SWIP 2003A                               | 10,310,000.00           | 13,180,000.00                | 4.91%                    | 3.30%             | 965,566.78             | 7.33%         |
| Sierra Corridor 2004                     | 8,125,000.00            | 10,065,000.00                | 5.45%                    | 3.32%             | 1,834,340.57           | 18.22%        |
| North Fontana Subord 2005A               | 88,465,000.00           | 100,635,000.00               | 5.00%                    | 3.07%             | 14,386,912.41          | 14.30%        |
| Sierra Corridor 2007                     | 28,920,000.00           | 32,500,000.00                | 4.76%                    | 3.55%             | 3,756,312.50           | 11.56%        |
| <b>2017 Series A Subtotal</b>            | <b>207,940,000.00</b>   | <b>237,840,000.00</b>        | <b>5.06%</b>             | <b>3.17%</b>      | <b>33,017,969.66</b>   | <b>13.88%</b> |
| <b>2017 Series B (Federally Taxable)</b> |                         |                              |                          |                   |                        |               |
| North Fontana 2003B (Taxable)            | 7,700,000.00            | 7,550,000.00                 | 6.40%                    | 4.15%             | 1,352,183.94           | 17.91%        |
| <b>Total</b>                             | <b>\$215,640,000.00</b> | <b>\$245,390,000.00</b>      | <b>5.11%</b>             | <b>3.21%</b>      | <b>\$34,370,153.60</b> | <b>14.01%</b> |

[1] Prior Bond Rate = Average Coupon of Refunded Bond Series

[2] New Bond Rate = All-in True Interest Cost allocable to each Refunded Bond Series

[3] NPV Savings = Annual Net Savings discounted at the Arbitrage Yield for the 2017 Bonds

[4] Percentage Savings = NPV Savings divided by Refunded Par Amount

Source: Stifel estimates based on Market Conditions on June 13, 2017 plus 50 bps. See Attachment A.

**Table 4** summarizes the total principal, interest and other sources of funds to pay the Prior Bonds compared to the estimated principal and interest for the 2017 Bonds for each series and in aggregate.

**Table 4**  
**Estimated Debt Service Comparison (Excludes Debt Service due on 9/1 or 10/1 2017)**

| Refunding Series                         | Gross Principal & Interest Due on Prior Bonds | Other Sources of Funds to Pay Prior Bonds [1] | Subtotal Prior Net Bond Debt Service | Estimated Principal & Interest Due on 2017 Bonds | Estimated Net Cash Flow Savings |
|--|---|---|--------------------------------------|--|---------------------------------|
| <b>2017 Series A</b>                     |   |   |                                      |  |                                 |
| SWIP 1998                                | \$32,259,182.50                               | \$0.00  | \$32,259,182.50                      | \$28,529,660.83                                  | \$3,729,521.67                  |
| Downtown 2000                            | 3,643,750.00                                  | (1,141,681.63)                                | 2,502,068.37                         | 2,430,223.33                                     | 71,845.04                       |
| North Fontana 2001A                      | 15,745,550.00                                 | 0.00  | 15,745,550.00                        | 14,810,685.00                                    | 934,865.00                      |
| North Fontana 2003A                      | 64,697,533.76                                 | 0.00  | 64,697,533.76                        | 54,616,440.42                                    | 10,081,093.34                   |
| SWIP 2003A                               | 19,599,887.52                                 | (2,567,679.60)                                | 17,032,207.92                        | 15,397,214.58                                    | 1,634,993.34                    |
| Sierra Corridor 2004                     | 15,682,820.00                                 | (925,242.82)                                  | 14,757,577.18                        | 12,219,248.75                                    | 2,538,328.43                    |
| North Fontana Subord 2005A               | 144,979,850.00                                | 0.00  | 144,979,850.00                       | 127,185,530.42                                   | 17,794,319.58                   |
| Sierra Corridor 2007                     | 50,791,750.00                                 | 0.00  | 50,791,750.00                        | 45,969,238.75                                    | 4,822,511.25                    |
| <b>2017 Series A Subtotal</b>            | <b>\$347,400,323.78</b>                       | <b>(\$4,634,604.05)</b>                       | <b>\$342,765,719.73</b>              | <b>\$301,158,242.08</b>                          | <b>\$41,607,477.65</b>          |
| <b>2017 Series B (Federally Taxable)</b> |   |   |                                      |  |                                 |
| North Fontana 2003B (Taxable)            | 12,143,679.00                                 | 0.00  | 12,143,679.00                        | 10,494,079.21                                    | 1,649,599.79                    |
| <b>Total</b>                             | <b>\$359,544,002.78</b>                       | <b>(\$4,634,604.05)</b>                       | <b>\$354,909,398.73</b>              | <b>\$311,652,321.29</b>                          | <b>\$43,257,077.44</b>          |

[1] Other sources include prior reserve funds and expected interest earnings thereon.

Source: Stifel estimates based on Market Conditions on June 13, 2017 plus 50 bps. See Attachment A.

Attachment A provides estimated annual cash flow savings on a Prior Bond refunding series-by-series basis.

**Table 5** summarizes estimated net present value and net cash flow savings in the aggregate by taxing entity.

**Table 5**  
**Allocation of Savings by Tax Entity**

| Taxing Entity                                      | Weighted Avg Share | Share of NPV Savings | Share of Net Cash Flow Savings |
|--|--------------------|----------------------|--------------------------------|
| Education Revenue Augmentation Fund                | 21.78%             | \$7,485,819.45       | \$9,421,391.47                 |
| Fontana Fire Protection District                   | 18.16%             | 6,241,619.89         | 7,855,485.26                   |
| Fontana Unified                                    | 16.11%             | 5,537,031.74         | 6,968,715.18                   |
| County General Fund                                | 14.32%             | 4,921,806.00         | 6,194,413.49                   |
| Chaffey Union High School                          | 4.38%              | 1,505,412.73         | 1,894,659.99                   |
| Etiwanda Colony Elementary School                  | 3.84%              | 1,319,813.90         | 1,661,071.77                   |
| Chaffey Community College                          | 3.71%              | 1,275,132.70         | 1,604,837.57                   |
| Fontana General Fund                               | 3.25%              | 1,117,717.40         | 1,406,720.16                   |
| Inland Empire Utilities Agency - Imp C             | 2.29%              | 787,076.52           | 990,587.07                     |
| Colton Unified                                     | 2.24%              | 769,891.44           | 968,958.53                     |
| County Free Library                                | 1.39%              | 477,745.14           | 601,273.38                     |
| Flood Control Zone 2                               | 1.35%              | 463,997.07           | 583,970.55                     |
| Flood Control Zone 1                               | 1.19%              | 409,004.83           | 514,759.22                     |
| Rialto Unified                                     | 1.06%              | 365,698.43           | 460,255.30                     |
| Cucamonga School                                   | 1.00%              | 343,701.54           | 432,570.77                     |
| Inland Empire Utilities Agency - Original          | 0.81%              | 278,398.24           | 350,382.33                     |
| San Bernardino Community College                   | 0.55%              | 189,035.84           | 237,913.93                     |
| San Bernardino Valley Muni. Water                  | 0.50%              | 171,850.77           | 216,285.39                     |
| Superintendent of Schools - Countywide             | 0.49%              | 168,413.75           | 211,959.68                     |
| Inland Empire Utilities Agency - Mid-Valley        | 0.47%              | 161,539.72           | 203,308.26                     |
| West San Bernardino Co. Water Dist. Imp. 1         | 0.32%              | 109,984.49           | 138,422.65                     |
| Superintendent of Schools - Physically Handicapped | 0.19%              | 66,678.10            | 83,918.73                      |
| Inland Empire Joint Resource Cons. District        | 0.19%              | 65,303.29            | 82,188.45                      |
| Flood Control Admin. 1 & 2                         | 0.18%              | 61,866.28            | 77,862.74                      |
| Superintendent of Schools - Mentally Handicapped   | 0.14%              | 49,493.02            | 62,290.19                      |
| Superintendent of Schools - ROP                    | 0.05%              | 18,559.88            | 23,358.82                      |
| Superintendent of Schools - Development Center     | 0.02%              | 6,874.03             | 8,651.42                       |
| City of Fontana Vehicle Parking                    | 0.00%              | 790.51               | 994.91                         |
| <b>Total</b>                                       | 100.000%           | \$34,370,153.60      | \$43,257,077.44                |

Source: HdL Coren & Cone; County Auditor-Controller. The share calculations do not factor in override revenues.

**Compliance with Refunding Requirements under the Dissolution Act.**

The following table provides a summary of how the proposed financing meets the requirements of the Dissolution Act as follows:

| Refunding Requirement under Dissolution Act   | Compliance Discussion   |
|---|---|
| 34177.5(a)(1)(A). The total interest cost plus the principal amount to maturity on the refunding bonds shall not exceed the total remaining interest cost and principal to maturity on the bonds to be refunded.                              | Table 4 demonstrates that 2017 Bond debt service is less than debt service for the Prior Bonds net of allocated reserve funds.  |
| Section 34177.5(a)(1)(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.                  | Table 2 demonstrates that proceeds of the 2017 Bonds are used only to defease the Prior Bonds, pay costs of issuance, and fund a reserve fund surety.   |
| Section 34177.5(h) requires the Successor Agency to make diligent efforts to ensure that the lowest long-term cost financing is obtained.   | In order to achieve the lowest long-term cost of financing, the 2017 Bonds are secured by a pledge of RPTTF revenues, which include all revenues generated from the Successor Agency's various project areas (but acknowledging that all revenues derived from the Jurupa Hills project area are pledged to senior obligations). The approach significantly improves debt service coverage, improves credit quality, and allows the Successor Agency to seek cost effective credit enhancement (i.e., a reserve fund surety). |
| Section 34177.5(h) states that the financing shall not provide for any bullets or spikes and shall not use variable rates.  | The 2017 Bonds are structured to produce substantially uniform annual savings relative to debt service of each series of Prior Bonds. Interest rates are fixed to their maturity dates.   |
| Section 34177.5(h) further requires the Successor Agency to use an independent financial advisor in developing financing proposals and make the work products of the financial advisor available to the Department of Finance at its request. | The Successor Agency retained CSG Advisors Incorporated to serve as Municipal Advisor to the Successor Agency. CSG assisted Stifel with the financial analysis contained herein and confirm that it represents the optimal approach to achieve savings for the Successor Agency and related taxing entities. Finally, CSG has prepared this memo for the DOF and can provide additional information upon DOF request.   |

Please do not hesitate to contact our office should you have any questions or require additional information.

ATTACHMENT A – Bond Cash Flows prepared by Stifel , Nicolaus & Company Incorporated

cc: Lisa Strong, Management Service Director, City of Fontana  
 E. Kurt Yeager, Esq., Stradling Yocca Carlson & Rauth, Bond Counsel to the Successor Agency  
 Vanessa S. Locklin, Esq., Stradling Yocca Carlson & Rauth, Bond Counsel to the Successor Agency  
 Sara Oberlies Brown, Senior Manager of Underwriting Team, Stifel , Nicolaus & Company Incorporated

SOURCES AND USES OF FUNDS

Successor Agency to the Fontana RDA

2017 Refunding TABs (All Except Jurupa Hills)

\*\*\*\*\*

Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

\*\*\*\*\*

|               |            |
|---------------|------------|
| Dated Date    | 10/04/2017 |
| Delivery Date | 10/04/2017 |

| Sources:                            | Tax Exempt<br>2017 Series A                | Taxable 2017<br>Series B                   | Total                                      |
|-------------------------------------|--|--|--|
| <b>Bond Proceeds:</b>               |  |  |  |
| Par Amount                          | 207,940,000.00                             | 7,700,000.00                               | 215,640,000.00                             |
| Premium                             | 29,937,904.25                              |  | 29,937,904.25                              |
|                                     | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> |
|                                     | 237,877,904.25                             | 7,700,000.00                               | 245,577,904.25                             |
| <b>Other Sources of Funds:</b>      |  |  |  |
| Prior Debt Service Reserve Fund (1) | 3,379,450.13                               |  | 3,379,450.13                               |
|                                     | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> |
|                                     | 241,257,354.38                             | 7,700,000.00                               | 248,957,354.38                             |
| <b>Uses:</b>                        |  |  |  |
| Uses:                               | Tax Exempt<br>2017 Series A                | Taxable 2017<br>Series B                   | Total                                      |
| <b>Refunding Escrow Deposits:</b>   |  |  |  |
| Cash Deposit                        | 3.61                                       | 0.35                                       | 3.96                                       |
| SLGS Purchases (2)                  | 239,287,925.00                             | 7,628,107.00                               | 246,916,032.00                             |
|                                     | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> |
|                                     | 239,287,928.61                             | 7,628,107.35                               | 246,916,035.96                             |
| <b>Delivery Date Expenses:</b>      |  |  |  |
| Cost of Issuance                    | 578,575.40                                 | 21,424.60                                  | 600,000.00                                 |
| Underwriter's Discount              | 696,141.92                                 | 25,778.08                                  | 721,920.00                                 |
| Surety (3)                          | 692,299.57                                 | 25,635.79                                  | 717,935.36                                 |
|                                     | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> |
|                                     | 1,967,016.89                               | 72,838.47                                  | 2,039,855.36                               |
| <b>Other Uses of Funds:</b>         |  |  |  |
| Rounding Amounts                    | 2,408.88                                   | -945.82                                    | 1,463.06                                   |
|                                     | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> |
|                                     | 241,257,354.38                             | 7,700,000.00                               | 248,957,354.38                             |

Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

(1) Prior Debt Service Reserve Fund reflects Trustee balances as of April 20, 2017. Other small balances are with various Trustees; balances will be included closer to pricing.

(2) SLGS are modeled in the escrow for illustration purposes. The SLGS window is currently closed, but SLGS rates provide an estimate of the escrow yield. Additionally, Series 2003B (North Fontana) is taxable and SLGS may not be an allowable investment in the escrow. In no way is Stifel recommending this or any particular investment strategy.

(3) Debt Service Reserve Fund is funded with a stand-alone surety policy estimated as 3.5% of the standard reserve requirement.

\*\*To Track: GIC termination payment, rebate liability.

## SOURCES AND USES OF FUNDS

Successor Agency to the Fontana RDA

2017 Refunding TABs (All Except Jurupa Hills)

\*\*\*\*\*  
Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

\*\*\*\*\*  
Principal payment date moved to October 1 for all series

Dated Date 10/04/2017  
Delivery Date 10/04/2017

| Sources:                            | Refunding of<br>1998<br>(Southwest<br>Industrial<br>Park Project) | Refunding of<br>2000 (Downtown<br>Industrial<br>Redevelopment<br>Project) | Refunding of<br>2001A (North<br>Fontana<br>Redevelopment<br>Project) | Refunding of<br>2003A (North<br>Fontana<br>Redevelopment<br>Project) | Refunding of<br>2003B Taxable<br>(North Fontana<br>Redevelopment<br>Project) | Refunding of<br>Subordinate<br>2003A<br>(Southwest<br>Industrial<br>Redevelopment<br>Project) | Refunding of<br>2004 (Sierra<br>Corridor<br>Commercial<br>Redevelopment<br>Project) | Refunding of<br>Subordinate<br>Lien 2005A<br>(North Fontana<br>Redevelopment<br>Project) |
|-------------------------------------|---|---|--|--|--|---|---|--|
| <b>Bond Proceeds:</b>               |   |   |  |  |  |   |   |  |
| Par Amount                          | 21,110,000.00   | 2,185,000.00  | 13,465,000.00  | 35,360,000.00  | 7,700,000.00   | 10,310,000.00   | 8,125,000.00  | 88,465,000.00  |
| Premium                             | 3,057,361.85  | 149,050.45  | 792,920.65   | 5,765,774.10   | 41,125,774.10  | 1,500,771.80  | 1,182,975.15  | 13,385,817.75  |
|                                     | <u>24,167,361.85</u>  | <u>2,334,050.45</u>   | <u>14,257,920.65</u>   | <u>41,125,774.10</u>   | <u>7,700,000.00</u>  | <u>11,810,771.80</u>  | <u>9,307,975.15</u>   | <u>101,850,817.75</u>  |
| <b>Other Sources of Funds:</b>      |   |   |  |  |  |   |   |  |
| Prior Debt Service Reserve Fund (1) |   | 941,672.19  |  |  |  | 1,512,535.12  | 925,242.82  |  |
|                                     | <u>24,167,361.85</u>  | <u>3,275,722.64</u>   | <u>14,257,920.65</u>   | <u>41,125,774.10</u>   | <u>7,700,000.00</u>  | <u>13,333,306.92</u>  | <u>10,233,217.97</u>  | <u>101,850,817.75</u>  |
| <b>Refunding Escrow Deposits:</b>   |   |   |  |  |  |   |   |  |
| Cash Deposit                        | 0.41  | 0.89  | 0.91   | 0.15   | 0.35   | 0.22  | 0.13  | 0.59   |
| SLGS Purchases (2)                  | <u>23,963,887.00</u>  | <u>3,255,806.00</u>   | <u>14,132,311.00</u>   | <u>40,788,794.15</u>   | <u>7,628,107.35</u>  | <u>13,228,502.00</u>  | <u>10,152,112.00</u>  | <u>101,016,982.00</u>  |
|                                     | <u>23,963,887.41</u>  | <u>3,255,806.89</u>   | <u>14,132,311.91</u>   | <u>40,788,794.15</u>   | <u>7,628,107.35</u>  | <u>13,228,502.22</u>  | <u>10,152,112.13</u>  | <u>101,016,982.59</u>  |
| <b>Delivery Date Expenses:</b>      |   |   |  |  |  |   |   |  |
| Cost of Issuance                    | 58,736.78   | 6,079.58  | 37,465.22  | 98,386.20  | 21,424.60  | 28,686.70   | 22,607.12   | 246,146.36   |
| Underwriter's Discount              | 70,672.10   | 7,314.95  | 45,078.15  | 118,378.27   | 25,778.08  | 34,515.84   | 27,200.89   | 296,163.30   |
| Surety (3)                          | <u>70,282.02</u>  | <u>7,274.57</u>   | <u>44,829.34</u>   | <u>117,724.89</u>  | <u>25,635.79</u>   | <u>34,325.33</u>  | <u>27,050.75</u>  | <u>294,528.62</u>  |
|                                     | <u>199,690.90</u>   | <u>20,669.10</u>  | <u>127,372.71</u>  | <u>334,489.36</u>  | <u>72,838.47</u>   | <u>97,527.87</u>  | <u>76,858.76</u>  | <u>836,838.28</u>  |

## SOURCES AND USES OF FUNDS

Successor Agency to the Fontana RDA

2017 Refunding TABs (All Except Jurupa Hills)

\*\*\*\*\* Jurupa Hills

Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating --/AA--

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

| Refunding of<br>1998<br>(Southwest<br>Industrial<br>Park Project) | Refunding of<br>2000 (Downtown<br>Fontana<br>Redevelopment<br>Project) | Refunding of<br>2003A (North<br>Fontana<br>Redevelopment<br>Project) | Refunding of<br>2003B Taxable<br>(North Fontana<br>Redevelopment<br>Project) | Refunding of<br>Subordinate<br>2003A<br>(Southwest<br>Industrial<br>Park Project) | Refunding of<br>2004 (Sierra<br>Corridor<br>Commercial<br>Redevelopment<br>Project) | Refunding of<br>Subordinate<br>Lien 2005A<br>(North Fontana<br>Redevelopment<br>Project) |
|---|--|--|--|---|---|--|
| Other Uses of Funds:<br>Rounding Amounts                          |  |  |  |   |   |  |
|   | 3,783.54   | -753.35  | -1,763.97  | 2,490.59  | -945.82   | -2,723.17  |
|   | 24,167,361.85  | 3,275,722.64   | 14,257,920.65  | 41,125,774.10   | 7,700,000.00  | 13,323,306.92  |
|   |  |  |  |   |   |  |
|   |  |  |  |   | 10,233,217.97   | 101,850,817.75   |

### Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

- (1) Prior Debt Service Reserve Fund reflects Trustee balances as of April 20, 2017. Other small balances are with various Trustees; balances will be included closer to pricing.
- (2) SLGS are modeled in the escrow for illustration purposes. The SLGS window is currently closed, but SLGS rates provide an estimate of the escrow yield. Additionally, Series 2003B (North Fontana) is taxable and SLGS may not be an allowable investment in the escrow. In no way is Stifel recommending this or any particular investment strategy.
- (3) Debt Service Reserve Fund is funded with a stand-alone surety policy estimated as 3.5% of the standard reserve requirement.

\*\*To Track: GIC termination payment, rebate liability.

**SOURCES AND USES OF FUNDS**

Successor Agency to the Fontana RDA

2017 Refunding TABs (All Except Jurupa Hills)

Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating --/AA-/--

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

| Sources:                            | Refunding of<br>2007 (Sierra<br>Corridor<br>Renewal<br>Project) | Total                 |
|-------------------------------------|---|-----------------------|
| Bond Proceeds:                      |   |                       |
| Par Amount                          | 28,920,000.00   | 215,640,000.00        |
| Premium                             | <u>4,03,232.50</u>  | <u>29,937,904.25</u>  |
|                                     | <u>33,023,232.50</u>  | <u>245,577,904.25</u> |
| Other Sources of Funds:             |   |                       |
| Prior Debt Service Reserve Fund (1) | 3,379,450.13  |                       |
|                                     | <u>33,023,232.50</u>  | <u>248,957,354.38</u> |
|                                     |   |                       |
|                                     |   |                       |
|                                     |   |                       |
|                                     |   |                       |
|                                     |   |                       |
| Uses:                               |   |                       |
| Refunding Escrow Deposits:          |   |                       |
| Cash Deposit                        | 0.31  | 3.96                  |
| SFGS Purchases (2)                  | <u>32,749,531.00</u>  | <u>246,916,032.00</u> |
|                                     | <u>32,749,531.31</u>  | <u>246,916,035.96</u> |
| Delivery Date Expenses:             |   |                       |
| Cost of Issuance                    | 80,467.44   | 600,000.00            |
| Underwriter's Discount              | 96,818.42   | 721,920.00            |
| Surety (3)                          | <u>96,284.05</u>  | <u>717,935.36</u>     |
|                                     | <u>273,569.91</u>   | <u>2,039,855.36</u>   |
| Other Uses of Funds:                |   |                       |
| Rounding Amounts                    | 131.28  | 1,463.06              |
|                                     | <u>33,023,232.50</u>  | <u>248,957,354.38</u> |

## SOURCES AND USES OF FUNDS

Successor Agency to the Fontana RDA

2017 Refunding TABs (All Except Jurupa Hills)

\*\*\*\*\* Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating --/AA/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

\*\*\*\*\* Principal payment date moved to October 1 for all series

### Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

(1) Prior Debt Service Reserve Fund reflects Trustee balances as of April 20, 2017. Other small balances are with various Trustees; balances will be included closer to pricing.

(2) SLGS are modeled in the escrow for illustration purposes. The SLGS window is currently closed, but SLGS rates provide an estimate of the escrow yield. Additionally, Series 2003B (North Fontana) is taxable and SLGS may not be an allowable investment in the escrow. In no way is Stifel recommending this or any particular investment strategy.

(3) Debt Service Reserve Fund is funded with a stand-alone surety policy estimated as 3.5% of the standard reserve requirement.

\*\*To Track: GIC termination payment, rebate liability.

## Oversight Board Meeting/Fontana Successor Agency - August 18, 2017

### SUMMARY OF REFUNDING RESULTS

Successor Agency to the Fontana RDA

2017 Refunding TABs (All Except Jurupa Hills)

Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating --/AA/...

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

|   | Tax Exempt 2017<br>Series A | Taxable 2017<br>Series B | Total          |
|---|-----------------------------|--------------------------|----------------|
| Dated Date  | 10/04/2017                  | 10/04/2017               | 10/04/2017     |
| Delivery Date   | 10/04/2017                  | 10/04/2017               | 10/04/2017     |
| Arbitrage Yield                                       | 2.823750%                   | 4.062324%                | 2.823730%      |
| Escrow Yield  | 0.7664463%                  | 0.7664463%               | 0.7664463%     |
| Value of Negative Arbitrage                           | 392,711.35                  | 19,985.26                | 412,696.61     |
| Bond Par Amount                                       | 207,940,000.00              | 7,700,000.00             | 215,640,000.00 |
| True Interest Cost                                    | 3.140443%                   | 4.108652%                | 3.172073%      |
| Net Interest Cost                                     | 3.406497%                   | 4.085220%                | 3.430559%      |
| All-In TIC  | 3.173991%                   | 4.147323%                | 3.205784%      |
| Average Coupon  | 4.963507%                   | 4.047875%                | 4.931047%      |
| Average Life  | 9.032                       | 8.964                    | 9.029          |
| Weighted Average Maturity                             | 9.139                       | 8.964                    | 9.133          |
| Par amount of refunded bonds                          | 237,840,000.00              | 7,550,000.00             | 245,390,000.00 |
| Average coupon of refunded bonds                      | 5.064422%                   | 6.398616%                | 5.107116%      |
| Average life of refunded bonds                        | 9.043                       | 9.418                    | 9.055          |
| Remaining weighted average maturity of refunded bonds | 9.041                       | 9.418                    | 9.052          |
| PV of prior debt                                      | 279,474,938.78              | 9,763,952.25             | 289,238,891.03 |
| Net PV Savings  | 33,017,969.66               | 1,352,183.94             | 34,370,153.60  |
| Percentage savings of refunded bonds                  | 13.882429%                  | 17.969721%               | 14.006338%     |
| Percentage savings of refunding bonds                 | 15.878604%                  | 17.560830%               | 15.938673%     |

#### Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

## SUMMARY OF REFUNDING RESULTS

Successor Agency to the Fontana RDA

2017 Refunding TABs (All Except Jurupa Hills)

\*\*\*\*\* Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating --/AA/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

\*\*\*\*\* Principal payment date moved to October 1 for all series

|   | Refunding of<br>1998 Southwest<br>Industrial Park<br>Project) | Refunding of<br>2000 Downtown<br>Redevelopment<br>Project) | Refunding of<br>2001A (North<br>Fontana<br>Redevelopment<br>Project) | Refunding of<br>2003A (North<br>Fontana<br>Redevelopment<br>Project) | Refunding of<br>2003B Taxable<br>(North Fontana<br>Redevelopment<br>Project) | Refunding of<br>Subordinate<br>2003A (Southwest<br>Industrial Park<br>Project) |
|---|---|--|--|--|--|--|
| Dated Date  | 10/04/2017  | 10/04/2017   | 10/04/2017   | 10/04/2017   | 10/04/2017   | 10/04/2017   |
| Delivery Date   | 10/04/2017  | 10/04/2017   | 10/04/2017   | 10/04/2017   | 10/04/2017   | 10/04/2017   |
| Arbitrage Yield                                       | 2.823730%   | 2.823730%  | 2.823730%  | 2.823730%  | 4.062324%  | 2.823730%  |
| Escrow Yield  | 0.766463%   | 0.766463%  | 0.766463%  | 0.766463%  | 0.766463%  | 0.766463%  |
| Value of Negative Arbitrage                           | 39,328.73   | 5,343.32   | 23,193.48  | 66,941.20  | 19,985.26  | 21,710.18  |
| Bond Par Amount                                       | 21,110,000.00   | 2,185,000.00   | 13,465,000.00  | 35,360,000.00  | 7,700,000.00   | 10,310,000.00  |
| True Interest Cost                                    | 2.737738%   | 1.909192%  | 1.942420%  | 3.253042%  | 4.108652%  | 3.265463%  |
| Net Interest Cost                                     | 2.952970%   | 1.864044%  | 1.883990%  | 3.528170%  | 4.085220%  | 3.540275%  |
| All-In TIC  | 2.778146%   | 2.077189%  | 2.061705%  | 3.281232%  | 4.14733%   | 3.296592%  |
| Average Coupon  | 4.942517%   | 4.417012%  | 4.240676%  | 4.992267%  | 4.047875%  | 4.973856%  |
| Average Life  | 7.111   | 2.541  | 2.357  | 10.909   | 8.964  | 9.920  |
| Weighted Average Maturity                             | 7.244   | 2.578  | 2.397  | 10.927   | 8.964  | 10.004   |
| Par amount of refunded bonds                          | 23,775,000.00   | 3,230,000.00   | 14,015,000.00  | 40,440,000.00  | 7,550,000.00   | 13,180,000.00  |
| Average coupon of refunded bonds                      | 5.004632%   | 5.000000%  | 5.187768%  | 5.429612%  | 6.398616%  | 4.911802%  |
| Average life of refunded bonds                        | 7.039   | 2.470  | 2.288  | 10.957   | 9.418  | 9.909  |
| Remaining weighted average maturity of refunded bonds | 7.060   | 2.464  | 2.273  | 10.995   | 9.418  | 9.928  |
| PV of prior debt                                      | 27,090,122.51   | 3,410,170.01   | 14,804,566.85  | 50,382,796.47  | 9,763,952.25   | 15,479,374.94  |
| Net PV Savings  | 3,192,250.50  | 12,210.63  | 911,687.55   | 7,958,688.72   | 1,352,183.94   | 965,566.78   |
| Percentage savings of refunded bonds                  | 13.426921%  | 0.378038%  | 6.505084%  | 19.680239%   | 17.909721%   | 7.326000%  |
| Percentage savings of refunding bonds                 | 15.121982%  | 0.558839%  | 6.770795%  | 22.507604%   | 17.560830%   | 9.365342%  |

## SUMMARY OF REFUNDING RESULTS

Successor Agency to the Fontana RDA

2017 Refunding TABs (All Except Jurupa Hills)

\*\*\*\*\* Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

\*\*\*\*\* Principal payment date moved to October 1 for all series

\*\*\*\*\* Assumed Underlying Rating --/AA-/--

|   | Refunding of<br>2004 (Sierra<br>Corridor<br>Commercial<br>Redevelopment<br>Project) | Refunding of<br>Subordinate Lien<br>2005A (North<br>Fontana<br>Redevelopment<br>Project) | Refunding of<br>2007 (Sierra<br>Corridor<br>Redevelopment<br>Project) | Total          |
|---|---|--|---|----------------|
| Dated Date  | 10/04/2017  | 10/04/2017   | 10/04/2017  | 10/04/2017     |
| Delivery Date   | 10/04/2017  | 10/04/2017   | 10/04/2017  | 10/04/2017     |
| Arbitrage Yield                                       | 2.823730%   | 2.823730%  | 2.823730%   | 2.823730%      |
| Escrow Yield  | 0.766464%   | 0.766463%  | 0.766463%   | 0.766463%      |
| Value of Negative Arbitrage                           | 16,661.31   | 165,785.70   | 53,747.43   | 412,696.61     |
| Bond Par Amount                                       | 8,125,000.00  | 88,465,000.00  | 28,920,000.00   | 215,640,000.00 |
| True Interest Cost                                    | 3.292662%   | 3.037576%  | 3.518643%   | 3.172073%      |
| Net Interest Cost                                     | 3.570777%   | 3.295472%  | 3.812142%   | 3.430559%      |
| All-In TIC  | 3.323311%   | 3.071465%  | 3.546107%   | 3.205784%      |
| Average Coupon  | 4.975252%   | 4.975443%  | 4.983132%   | 4.931047%      |
| Average Life  | 10.128  | 8.797  | 11.831  | 9.029          |
| Weighted Average Maturity                             | 10.206  | 8.876  | 11.871  | 9.133          |
| Par amount of refunded bonds                          | 10,065,000.00   | 100,635,000.00   | 32,500,000.00   | 245,390,000.00 |
| Average coupon of refunded bonds                      | 5.451068%   | 4.996209%  | 4.764294%   | 5.107116%      |
| Average life of refunded bonds                        | 10.149  | 8.811  | 11.721  | 9.055          |
| Remaining weighted average maturity of refunded bonds | 10.150  | 8.784  | 11.592  | 9.052          |
| PV of prior debt                                      | 12,365,002.65   | 117,222,805.48   | 38,720,099.87   | 289,238,891.03 |
| Net PV Savings  | 1,834,340.57  | 14,386,912.41  | 3,756,312.50  | 34,370,153.60  |
| Percentage savings of refunded bonds                  | 18.224944%  | 14.296132%   | 11.557885%  | 14.006338%     |
| Percentage savings of refunding bonds                 | 22.576499%  | 16.262830%   | 12.988632%  | 15.938673%     |

Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

## BOND PRICING

Successor Agency to the Fontana RDA  
 2017 Refunding TABs (All Except Jurupa Hills)

\*\*\*\*\*

Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

\*\*\*\*\*

| Bond Component   | Maturity Date | Amount      | Rate   | Yield  | Price     | Yield to Maturity | Premium (-Discount) |
|------------------|---------------|-------------|--------|--------|-----------|-------------------|---------------------|
| Serial Bond:     |               |             |        |        |           |                   |                     |
|                  | 10/01/2018    | 10,945,000  | 4.000% | 1.400% | 102.551   |                   | 279,206.95          |
|                  | 10/01/2019    | 11,305,000  | 4.000% | 1.510% | 104.867   |                   | 550,214.35          |
|                  | 10/01/2020    | 11,755,000  | 4.000% | 1.660% | 106.801   |                   | 799,457.55          |
|                  | 10/01/2021    | 11,270,000  | 5.000% | 1.760% | 112.436   |                   | 1,401,537.20        |
|                  | 10/01/2022    | 11,215,000  | 5.000% | 1.930% | 114.542   |                   | 1,630,885.30        |
|                  | 10/01/2023    | 11,780,000  | 5.000% | 2.090% | 116.308   |                   | 1,921,082.40        |
|                  | 10/01/2024    | 12,320,000  | 5.000% | 2.260% | 117.628   |                   | 2,171,769.60        |
|                  | 10/01/2025    | 12,845,000  | 5.000% | 2.460% | 118.326   |                   | 2,353,974.70        |
|                  | 10/01/2026    | 13,485,000  | 5.000% | 2.660% | 118.603   |                   | 2,508,614.55        |
|                  | 10/01/2027    | 14,160,000  | 5.000% | 2.760% | 119.443   |                   | 2,753,128.80        |
|                  | 10/01/2028    | 14,065,000  | 5.000% | 2.910% | 118.007 C | 3.059%            | 2,532,684.55        |
|                  | 10/01/2029    | 14,760,000  | 5.000% | 3.060% | 116.592 C | 3.312%            | 2,448,979.20        |
|                  | 10/01/2030    | 14,900,000  | 5.000% | 3.130% | 115.938 C | 3.466%            | 2,374,762.00        |
|                  | 10/01/2031    | 15,055,000  | 5.000% | 3.210% | 115.196 C | 3.607%            | 2,287,757.80        |
|                  | 10/01/2032    | 15,815,000  | 5.000% | 3.280% | 114.552 C | 3.724%            | 2,301,398.80        |
|                  | 10/01/2033    | 3,755,000   | 5.000% | 3.350% | 113.912 C | 3.829%            | 522,395.60          |
|                  | 10/01/2034    | 2,620,000   | 5.000% | 3.410% | 113.367 C | 3.915%            | 350,215.40          |
|                  | 10/01/2035    | 2,875,000   | 5.000% | 3.460% | 112.915 C | 3.987%            | 371,306.25          |
|                  | 10/01/2036    | 3,015,000   | 5.000% | 3.500% | 112.555 C | 4.046%            | 378,533.25          |
|                  |               | 207,940,000 |        |        |           |                   | 29,937,904.25       |
| Taxable Serials: |               |             |        |        |           |                   |                     |
|                  | 10/01/2018    | 310,000     | 2.130% | 2.130% | 100.000   |                   |                     |
|                  | 10/01/2019    | 315,000     | 2.580% | 2.580% | 100.000   |                   |                     |
|                  | 10/01/2020    | 320,000     | 2.810% | 2.810% | 100.000   |                   |                     |
|                  | 10/01/2021    | 460,000     | 2.990% | 2.990% | 100.000   |                   |                     |
|                  | 10/01/2022    | 475,000     | 3.240% | 3.240% | 100.000   |                   |                     |
|                  | 10/01/2023    | 490,000     | 3.370% | 3.370% | 100.000   |                   |                     |
|                  | 10/01/2024    | 505,000     | 3.520% | 3.520% | 100.000   |                   |                     |
|                  | 10/01/2025    | 525,000     | 3.660% | 3.660% | 100.000   |                   |                     |
|                  | 10/01/2026    | 545,000     | 3.810% | 3.810% | 100.000   |                   |                     |
|                  | 10/01/2027    | 565,000     | 3.960% | 3.960% | 100.000   |                   |                     |
|                  | 10/01/2028    | 585,000     | 4.110% | 4.110% | 100.000   |                   |                     |
|                  | 10/01/2029    | 610,000     | 4.260% | 4.260% | 100.000   |                   |                     |
|                  | 10/01/2030    | 635,000     | 4.360% | 4.360% | 100.000   |                   |                     |
|                  | 10/01/2031    | 665,000     | 4.460% | 4.460% | 100.000   |                   |                     |
|                  | 10/01/2032    | 695,000     | 4.560% | 4.560% | 100.000   |                   |                     |
|                  |               | 7,700,000   |        |        |           |                   |                     |
|                  |               | 215,640,000 |        |        |           |                   | 29,937,904.25       |

|                        |                |
|------------------------|----------------|
| Dated Date             | 10/04/2017     |
| Delivery Date          | 10/04/2017     |
| First Coupon           | 04/01/2018     |
| Par Amount             | 215,640,000.00 |
| Premium                | 29,937,904.25  |
| Production             | 245,577,904.25 |
| Underwriter's Discount | -721,920.00    |
| Purchase Price         | 244,855,984.25 |
| Accrued Interest       | 113.548499%    |
| Net Proceeds           | 244,855,984.25 |

BOND PRICING

Successor Agency to the Fontana RDA  
2017 Refunding TABs (All Except Jurupa Hills)

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Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS  
Assumed Underlying Rating ---/AA-/----

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
Principal payment date moved to October 1 for all series

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Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

BOND SUMMARY STATISTICS

Successor Agency to the Fontana RDA  
2017 Refunding TABs (All Except Jurupa Hills)

\*\*\*\*\*

Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
Principal payment date moved to October 1 for all series

\*\*\*\*\*

|                                   |                |
|-----------------------------------|----------------|
| Dated Date                        | 10/04/2017     |
| Delivery Date                     | 10/04/2017     |
| First Coupon                      | 04/01/2018     |
| Last Maturity                     | 10/01/2036     |
| Arbitrage Yield                   | 2.823730%      |
| True Interest Cost (TIC)          | 3.172073%      |
| Net Interest Cost (NIC)           | 3.430559%      |
| All-In TIC                        | 3.205784%      |
| Average Coupon                    | 4.931047%      |
| Average Life (years)              | 9.029          |
| Weighted Average Maturity (years) | 9.133          |
| Duration of Issue (years)         | 7.419          |
| Par Amount                        | 215,640,000.00 |
| Bond Proceeds                     | 245,577,904.25 |
| Total Interest                    | 96,012,321.29  |
| Net Interest                      | 66,796,337.04  |
| Total Debt Service                | 311,652,321.29 |
| Maximum Annual Debt Service       | 21,521,122.00  |
| Average Annual Debt Service       | 16,409,951.10  |

| Bond Component  | Par Value      | Price          | Average Coupon | Average Life | PV of 1 bp change |
|-----------------|----------------|----------------|----------------|--------------|-------------------|
| Serial Bond     | 207,940,000.00 | 114.397        | 4.964%         | 9.032        | 149,470.50        |
| Taxable Serials | 7,700,000.00   | 100.000        | 4.048%         | 8.964        | 5,502.95          |
|                 |                | 215,640,000.00 |                |              | 9.029             |
|                 |                |                |                |              | 154,973.45        |

Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

## SAVINGS

Successor Agency to the Fontana RDA  
 2017 Refunding TABs (All Except Jurupa Hills)  
 \*\*\*\*  
 Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS  
 Assumed Underlying Rating ---/AA-/-  
 Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
 Principal payment date moved to October 1 for all series  
 \*\*\*\*

| Date       | Prior<br>Debt Service | Prior<br>Adjustments | Prior<br>Net Cash Flow | Refunding<br>Debt Service | Savings       | Present Value<br>to 10/04/2017<br>@ 2.8237299% |
|------------|-----------------------|----------------------|------------------------|---------------------------|---------------|--|
| 10/01/2018 | 24,646,373.76         | -115,948.89          | 24,530,424.87          | 21,514,312.29             | 3,016,112.58  | 2,983,603.56                                   |
| 10/01/2019 | 24,640,959.26         | -115,948.89          | 24,525,010.37          | 21,521,122.00             | 3,003,888.37  | 2,887,464.75                                   |
| 10/01/2020 | 24,645,981.50         | -115,948.89          | 24,530,032.61          | 21,515,795.00             | 3,014,237.61  | 2,815,949.36                                   |
| 10/01/2021 | 23,991,675.76         | -115,948.89          | 23,875,726.87          | 20,691,603.00             | 3,184,123.87  | 2,880,519.87                                   |
| 10/01/2022 | 23,074,734.50         | -65,946.53           | 23,008,787.97          | 20,074,349.00             | 2,934,438.97  | 2,581,359.68                                   |
| 10/01/2023 | 23,081,394.50         | -65,946.53           | 23,015,447.97          | 20,078,209.00             | 2,937,238.97  | 2,511,823.76                                   |
| 10/01/2024 | 23,079,102.00         | -65,946.53           | 23,013,155.47          | 20,027,696.00             | 2,985,459.47  | 2,480,913.42                                   |
| 10/01/2025 | 23,081,143.50         | -65,946.53           | 23,015,196.97          | 19,938,920.00             | 3,076,276.97  | 2,489,630.70                                   |
| 10/01/2026 | 23,079,601.50         | -65,946.53           | 23,013,654.97          | 19,937,455.00             | 3,076,199.97  | 2,420,065.43                                   |
| 10/01/2027 | 23,082,850.00         | -65,946.53           | 23,016,903.47          | 19,937,440.50             | 3,079,462.97  | 2,355,015.58                                   |
| 10/01/2028 | 22,149,024.00         | -65,946.53           | 22,083,077.47          | 19,132,066.50             | 2,951,010.97  | 2,193,472.08                                   |
| 10/01/2029 | 22,142,218.50         | -65,946.53           | 22,076,271.97          | 19,124,773.00             | 2,951,498.97  | 2,132,399.82                                   |
| 10/01/2030 | 21,433,122.50         | -65,946.53           | 21,367,175.97          | 18,525,787.00             | 2,841,388.97  | 1,995,449.54                                   |
| 10/01/2031 | 20,872,458.50         | -65,946.53           | 20,806,511.97          | 17,938,101.00             | 2,868,410.97  | 1,955,450.35                                   |
| 10/01/2032 | 20,875,048.00         | -65,946.53           | 20,809,101.47          | 17,945,692.00             | 2,863,409.47  | 1,897,353.63                                   |
| 10/01/2033 | 5,173,590.00          | -65,946.53           | 5,107,643.47           | 4,368,250.00              | 739,393.47    | 477,763.50                                     |
| 10/01/2034 | 3,495,900.00          |                      | 3,495,900.00           | 3,045,500.00              | 450,400.00    | 284,931.58                                     |
| 10/01/2035 | 3,500,175.00          |                      | 3,500,175.00           | 3,169,500.00              | 330,675.00    | 204,681.51                                     |
| 10/01/2036 | 3,498,650.00          |                      | 3,498,650.00           | 3,165,750.00              | 332,900.00    | 200,292.55                                     |
|            | 359,544,002.78        | -1,255,153.92        | 358,288,848.86         | 311,652,321.29            | 46,636,527.57 | 37,748,140.67                                  |

## Savings Summary

|                               |               |
|-------------------------------|---------------|
| PV of savings from cash flow  | 37,748,140.67 |
| Less: Prior funds on hand     | -3,379,450.13 |
| Plus: Refunding funds on hand | 1,463.06      |
| Net PV Savings                | 34,370,153.60 |

## Notes:

\*\*The 'Prior Adjustments' reflect the approximate loss of annual earnings from the GICs in the Prior Reserve Funds for Series 2000 (Downtown) and Series 2003A (SWIP). The GIC rate is 5.47% for Series 2000 (Downtown), and the GIC rate is 4.36% for Series 2003A (SWIP).

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

SAVINGS

Successor Agency to the Fontana RDA

Refunding of 1998 (Southwest Industrial Park Project)

\*\*\*\*\*

Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

\*\*\*\*\*

| Date       | Prior<br>Debt Service | Refunding<br>Debt Service | Savings      | Present Value<br>to 10/04/2017<br>@ 2.8237299% |
|------------|-----------------------|---------------------------|--------------|--|
| 10/01/2018 | 2,692,540.00          | 2,379,260.83              | 313,279.17   | 312,115.18                                     |
| 10/01/2019 | 2,692,040.00          | 2,382,700.00              | 309,340.00   | 299,508.05                                     |
| 10/01/2020 | 2,692,790.00          | 2,380,700.00              | 312,090.00   | 293,611.25                                     |
| 10/01/2021 | 2,689,540.00          | 2,381,500.00              | 308,040.00   | 281,711.82                                     |
| 10/01/2022 | 2,692,290.00          | 2,379,500.00              | 312,790.00   | 277,993.42                                     |
| 10/01/2023 | 2,685,540.00          | 2,373,750.00              | 311,790.00   | 269,381.18                                     |
| 10/01/2024 | 2,684,340.00          | 2,374,250.00              | 310,090.00   | 260,492.91                                     |
| 10/01/2025 | 2,683,865.00          | 2,375,500.00              | 308,365.00   | 251,871.40                                     |
| 10/01/2026 | 2,683,877.50          | 2,372,250.00              | 311,627.50   | 247,404.29                                     |
| 10/01/2027 | 2,684,140.00          | 2,374,500.00              | 309,640.00   | 239,023.48                                     |
| 10/01/2028 | 1,949,020.00          | 1,721,750.00              | 227,270.00   | 170,536.64                                     |
| 10/01/2029 | 1,945,880.00          | 1,721,500.00              | 224,380.00   | 163,685.19                                     |
| 10/01/2030 | 1,483,320.00          | 1,312,500.00              | 170,820.00   | 121,132.14                                     |
|            | 32,259,182.50         | 28,529,660.83             | 3,729,521.67 | 3,188,466.96                                   |

Savings Summary

|                               |              |
|-------------------------------|--------------|
| PV of savings from cash flow  | 3,188,466.96 |
| Plus: Refunding funds on hand | 3,783.54     |
| Net PV Savings                | 3,192,250.50 |

Notes:

\*\*The 'Prior Adjustments' reflect the approximate loss of annual earnings from the GICs in the Prior Reserve Funds for Series 2000 (Downtown) and Series 2003A (SWIP). The GIC rate is 5.47% for Series 2000 (Downtown), and the GIC rate is 4.36% for Series 2003A (SWIP).

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

SAVINGS

Successor Agency to the Fontana RDA

Refunding of 2000 (Downtown Redevelopment Project)

\*\*\*\*\*

Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

\*\*\*\*\*

| Date       | Prior<br>Debt Service | Prior<br>Adjustments | Prior<br>Net Cash Flow | Refunding<br>Debt Service | Savings      | Present Value<br>to 10/04/2017<br>@ 2.8237299% |
|------------|-----------------------|----------------------|------------------------|---------------------------|--------------|--|
| 10/01/2018 | 911,500.00            | -50,002.36           | 861,497.64             | 607,423.33                | 254,074.31   | 249,662.86                                     |
| 10/01/2019 | 909,000.00            | -50,002.36           | 858,997.64             | 607,600.00                | 251,397.64   | 240,099.00                                     |
| 10/01/2020 | 909,750.00            | -50,002.36           | 859,747.64             | 606,200.00                | 253,547.64   | 235,322.33                                     |
| 10/01/2021 | 913,500.00            | -50,002.36           | 863,497.64             | 609,000.00                | 254,497.64   | 229,551.98                                     |
|            | 3,643,750.00          | -200,009.44          | 3,443,740.56           | 2,430,223.33              | 1,013,517.23 | 954,636.17                                     |

Savings Summary

|                               |             |
|-------------------------------|-------------|
| PV of savings from cash flow  | 954,636.17  |
| Less: Prior funds on hand     | -941,672.19 |
| Plus: Refunding funds on hand | -753.35     |
| Net PV Savings                | 12,210.63   |

Notes:

\*\*The 'Prior Adjustments' reflect the approximate loss of annual earnings from the GICs in the Prior Reserve Funds for Series 2000 (Downtown) and Series 2003A (SWIP). The GIC rate is 5.47% for Series 2000 (Downtown), and the GIC rate is 4.36% for Series 2003A (SWIP).

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

SAVINGS

Successor Agency to the Fontana RDA

Refunding of 2001A (North Fontana Redevelopment Project)

\*\*\*\*\*

Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

\*\*\*\*\*

| Date       | Prior<br>Debt Service | Refunding<br>Debt Service | Savings    | Present Value<br>to 10/04/2017<br>@ 2.8237299% |
|------------|-----------------------|---------------------------|------------|--|
| 10/01/2018 | 4,656,750.00          | 4,379,185.00              | 277,565.00 | 281,845.36                                     |
| 10/01/2019 | 4,655,687.50          | 4,380,600.00              | 275,087.50 | 271,289.21                                     |
| 10/01/2020 | 4,653,862.50          | 4,376,400.00              | 277,462.50 | 265,590.59                                     |
| 10/01/2021 | 590,750.00            | 556,000.00                | 34,750.00  | 32,337.18                                      |
| 10/01/2022 | 595,250.00            | 562,000.00                | 33,250.00  | 30,138.54                                      |
| 10/01/2023 | 593,250.00            | 556,500.00                | 36,750.00  | 32,250.64                                      |
|            | 15,745,550.00         | 14,810,685.00             | 934,865.00 | 913,451.52                                     |

Savings Summary

|                               |            |
|-------------------------------|------------|
| PV of savings from cash flow  | 913,451.52 |
| Plus: Refunding funds on hand | -1,763.97  |
| Net PV Savings                | 911,687.55 |

Notes:

\*\*The 'Prior Adjustments' reflect the approximate loss of annual earnings from the GICs in the Prior Reserve Funds for Series 2000 (Downtown) and Series 2003A (SWIP). The GIC rate is 5.47% for Series 2000 (Downtown), and the GIC rate is 4.36% for Series 2003A (SWIP).

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

SAVINGS

Successor Agency to the Fontana RDA

Refunding of 2003A (North Fontana Redevelopment Project)

\*\*\*\*\*

Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

\*\*\*\*\*

| Date       | Prior<br>Debt Service | Refunding<br>Debt Service | Savings       | Present Value<br>to 10/04/2017<br>@ 2.8237299% |
|------------|-----------------------|---------------------------|---------------|--|
| 10/01/2018 | 2,631,252.50          | 2,223,540.42              | 407,712.08    | 405,624.11                                     |
| 10/01/2019 | 2,631,012.50          | 2,223,750.00              | 407,262.50    | 393,781.78                                     |
| 10/01/2020 | 2,634,412.50          | 2,224,150.00              | 410,262.50    | 385,646.19                                     |
| 10/01/2021 | 2,631,056.26          | 2,218,750.00              | 412,306.26    | 376,784.26                                     |
| 10/01/2022 | 2,626,775.00          | 2,217,500.00              | 409,275.00    | 363,733.73                                     |
| 10/01/2023 | 2,630,887.50          | 2,220,000.00              | 410,887.50    | 355,056.88                                     |
| 10/01/2024 | 2,918,575.00          | 2,466,000.00              | 452,575.00    | 380,068.15                                     |
| 10/01/2025 | 5,750,737.50          | 4,853,250.00              | 897,487.50    | 730,420.32                                     |
| 10/01/2026 | 5,748,100.00          | 4,854,000.00              | 894,100.00    | 707,373.36                                     |
| 10/01/2027 | 5,749,600.00          | 4,851,500.00              | 898,100.00    | 690,698.36                                     |
| 10/01/2028 | 5,750,250.00          | 4,855,500.00              | 894,750.00    | 668,886.38                                     |
| 10/01/2029 | 5,748,250.00          | 4,850,250.00              | 898,000.00    | 652,446.20                                     |
| 10/01/2030 | 5,748,050.00          | 4,850,750.00              | 897,300.00    | 633,643.14                                     |
| 10/01/2031 | 5,748,825.00          | 4,851,250.00              | 897,575.00    | 616,021.86                                     |
| 10/01/2032 | 5,749,750.00          | 4,856,250.00              | 893,500.00    | 596,013.40                                     |
|            | 64,697,533.76         | 54,616,440.42             | 10,081,093.34 | 7,956,198.13                                   |

Savings Summary

|                               |              |
|-------------------------------|--------------|
| PV of savings from cash flow  | 7,956,198.13 |
| Plus: Refunding funds on hand | 2,490.59     |
| Net PV Savings                | 7,958,688.72 |

Notes:

\*\*The 'Prior Adjustments' reflect the approximate loss of annual earnings from the GICs in the Prior Reserve Funds for Series 2000 (Downtown) and Series 2003A (SWIP). The GIC rate is 5.47% for Series 2000 (Downtown), and the GIC rate is 4.36% for Series 2003A (SWIP).

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

SAVINGS

Successor Agency to the Fontana RDA  
 Refunding of 2003B Taxable (North Fontana Redevelopment Project)  
 \*\*\*\*  
 Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS  
 Assumed Underlying Rating ---/AA-/-  
 Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
 Principal payment date moved to October 1 for all series  
 \*\*\*\*

| Date       | Prior<br>Debt Service | Refunding<br>Debt Service | Savings      | Present Value<br>to 10/04/2017<br>@ 2.8237299% |
|------------|-----------------------|---------------------------|--------------|--|
| 10/01/2018 | 690,830.00            | 596,170.21                | 94,659.79    | 94,996.44                                      |
| 10/01/2019 | 687,768.00            | 596,972.00                | 90,796.00    | 88,633.62                                      |
| 10/01/2020 | 689,084.00            | 593,845.00                | 95,239.00    | 90,234.92                                      |
| 10/01/2021 | 839,467.00            | 724,853.00                | 114,614.00   | 105,342.12                                     |
| 10/01/2022 | 839,587.00            | 726,099.00                | 113,488.00   | 101,382.04                                     |
| 10/01/2023 | 838,152.00            | 725,709.00                | 112,443.00   | 97,626.29                                      |
| 10/01/2024 | 840,162.00            | 724,196.00                | 115,966.00   | 97,759.59                                      |
| 10/01/2025 | 839,346.00            | 726,420.00                | 112,926.00   | 92,551.29                                      |
| 10/01/2026 | 841,604.00            | 727,205.00                | 114,399.00   | 91,066.42                                      |
| 10/01/2027 | 841,615.00            | 726,440.50                | 115,174.50   | 89,058.12                                      |
| 10/01/2028 | 839,379.00            | 724,066.50                | 115,312.50   | 86,615.65                                      |
| 10/01/2029 | 839,896.00            | 725,023.00                | 114,873.00   | 83,829.22                                      |
| 10/01/2030 | 837,845.00            | 724,037.00                | 113,808.00   | 80,688.87                                      |
| 10/01/2031 | 838,226.00            | 726,351.00                | 111,875.00   | 77,071.44                                      |
| 10/01/2032 | 840,718.00            | 726,692.00                | 114,026.00   | 76,273.73                                      |
|            | 12,143,679.00         | 10,494,079.21             | 1,649,599.79 | 1,353,129.76                                   |

Savings Summary

|                               |              |
|-------------------------------|--------------|
| PV of savings from cash flow  | 1,353,129.76 |
| Plus: Refunding funds on hand | -945.82      |
| Net PV Savings                | 1,352,183.94 |

Notes:

\*\*The 'Prior Adjustments' reflect the approximate loss of annual earnings from the GICs in the Prior Reserve Funds for Series 2000 (Downtown) and Series 2003A (SWIP). The GIC rate is 5.47% for Series 2000 (Downtown), and the GIC rate is 4.36% for Series 2003A (SWIP).

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

SAVINGS

Successor Agency to the Fontana RDA  
 Refunding of Subordinate 2003A (Southwest Industrial Park Project)  
 \*\*\*\*  
 Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS  
 Assumed Underlying Rating ---/AA-/-  
 Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
 Principal payment date moved to October 1 for all series  
 \*\*\*\*

| Date       | Prior<br>Debt Service | Prior<br>Adjustments | Prior<br>Net Cash Flow | Refunding<br>Debt Service | Savings      | Present Value<br>to 10/04/2017<br>@ 2.8237299% |
|------------|-----------------------|----------------------|------------------------|---------------------------|--------------|--|
| 10/01/2018 | 1,177,388.76          | -65,946.53           | 1,111,442.23           | 923,064.58                | 188,377.65   | 184,197.05                                     |
| 10/01/2019 | 1,179,438.76          | -65,946.53           | 1,113,492.23           | 925,250.00                | 188,242.23   | 178,880.26                                     |
| 10/01/2020 | 1,179,720.00          | -65,946.53           | 1,113,773.47           | 927,650.00                | 186,123.47   | 171,939.67                                     |
| 10/01/2021 | 1,183,170.00          | -65,946.53           | 1,117,223.47           | 929,250.00                | 187,973.47   | 168,788.15                                     |
| 10/01/2022 | 1,180,270.00          | -65,946.53           | 1,114,323.47           | 925,250.00                | 189,073.47   | 165,053.49                                     |
| 10/01/2023 | 1,188,665.00          | -65,946.53           | 1,122,718.47           | 935,250.00                | 187,468.47   | 159,093.50                                     |
| 10/01/2024 | 1,185,100.00          | -65,946.53           | 1,119,153.47           | 933,500.00                | 185,653.47   | 153,163.08                                     |
| 10/01/2025 | 1,190,065.00          | -65,946.53           | 1,124,118.47           | 935,500.00                | 188,618.47   | 151,258.14                                     |
| 10/01/2026 | 1,188,070.00          | -65,946.53           | 1,122,123.47           | 931,000.00                | 191,123.47   | 148,981.43                                     |
| 10/01/2027 | 1,189,360.00          | -65,946.53           | 1,123,413.47           | 935,250.00                | 188,163.47   | 142,582.83                                     |
| 10/01/2028 | 993,690.00            | -65,946.53           | 927,743.47             | 782,750.00                | 144,993.47   | 106,878.18                                     |
| 10/01/2029 | 995,615.00            | -65,946.53           | 929,668.47             | 781,250.00                | 148,418.47   | 106,336.78                                     |
| 10/01/2030 | 750,470.00            | -65,946.53           | 684,523.47             | 588,500.00                | 96,023.47    | 66,961.78                                      |
| 10/01/2031 | 1,670,720.00          | -65,946.53           | 1,604,773.47           | 1,314,000.00              | 290,773.47   | 196,636.00                                     |
| 10/01/2032 | 1,674,192.50          | -65,946.53           | 1,608,245.97           | 1,317,250.00              | 290,995.97   | 191,276.57                                     |
| 10/01/2033 | 1,673,952.50          | -65,946.53           | 1,608,005.97           | 1,312,500.00              | 295,505.97   | 188,798.17                                     |
|            | 19,599,887.52         | -1,055,144.48        | 18,544,743.04          | 15,397,214.58             | 3,147,528.46 | 2,480,825.07                                   |

Savings Summary

|                               |               |
|-------------------------------|---------------|
| PV of savings from cash flow  | 2,480,825.07  |
| Less: Prior funds on hand     | -1,512,535.12 |
| Plus: Refunding funds on hand | -2,723.17     |
| Net PV Savings                | 965,566.78    |

Notes:

\*\*The 'Prior Adjustments' reflect the approximate loss of annual earnings from the GICs in the Prior Reserve Funds for Series 2000 (Downtown) and Series 2003A (SWIP). The GIC rate is 5.47% for Series 2000 (Downtown), and the GIC rate is 4.36% for Series 2003A (SWIP).

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

SAVINGS

Successor Agency to the Fontana RDA  
 Refunding of 2004 (Sierra Corridor Commercial Redevelopment Project)  
 \*\*\*\*  
 Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS  
 Assumed Underlying Rating ---/AA-/-  
 Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
 Principal payment date moved to October 1 for all series  
 \*\*\*\*

| Date       | Prior<br>Debt Service | Refunding<br>Debt Service | Savings      | Present Value<br>to 10/04/2017<br>@ 2.8237299% |
|------------|-----------------------|---------------------------|--------------|--|
| 10/01/2018 | 922,150.00            | 717,848.75                | 204,301.25   | 201,853.21                                     |
| 10/01/2019 | 923,150.00            | 718,150.00                | 205,000.00   | 196,850.48                                     |
| 10/01/2020 | 922,750.00            | 719,750.00                | 203,000.00   | 189,521.81                                     |
| 10/01/2021 | 921,330.00            | 720,750.00                | 200,580.00   | 182,067.60                                     |
| 10/01/2022 | 923,450.00            | 717,500.00                | 205,950.00   | 181,677.55                                     |
| 10/01/2023 | 924,037.50            | 718,500.00                | 205,537.50   | 176,273.92                                     |
| 10/01/2024 | 923,312.50            | 718,500.00                | 204,812.50   | 170,768.98                                     |
| 10/01/2025 | 921,017.50            | 717,500.00                | 203,517.50   | 164,971.97                                     |
| 10/01/2026 | 921,587.50            | 720,500.00                | 201,087.50   | 158,481.86                                     |
| 10/01/2027 | 920,522.50            | 717,250.00                | 203,272.50   | 155,706.94                                     |
| 10/01/2028 | 922,822.50            | 718,000.00                | 204,822.50   | 152,500.20                                     |
| 10/01/2029 | 923,215.00            | 717,500.00                | 205,715.00   | 148,875.48                                     |
| 10/01/2030 | 921,700.00            | 720,750.00                | 200,950.00   | 141,398.03                                     |
| 10/01/2031 | 922,925.00            | 717,500.00                | 205,425.00   | 140,462.44                                     |
| 10/01/2032 | 921,950.00            | 718,000.00                | 203,950.00   | 135,554.66                                     |
| 10/01/2033 | 923,775.00            | 722,000.00                | 201,775.00   | 130,364.85                                     |
| 10/01/2034 | 923,125.00            | 719,250.00                | 203,875.00   | 128,006.33                                     |
|            | 15,682,820.00         | 12,219,248.75             | 3,463,571.25 | 2,755,336.31                                   |

Savings Summary

|                               |              |
|-------------------------------|--------------|
| PV of savings from cash flow  | 2,755,336.31 |
| Less: Prior funds on hand     | -925,242.82  |
| Plus: Refunding funds on hand | 4,247.08     |
| Net PV Savings                | 1,834,340.57 |

Notes:

\*\*The 'Prior Adjustments' reflect the approximate loss of annual earnings from the GICs in the Prior Reserve Funds for Series 2000 (Downtown) and Series 2003A (SWIP). The GIC rate is 5.47% for Series 2000 (Downtown), and the GIC rate is 4.36% for Series 2003A (SWIP).

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

SAVINGS

Successor Agency to the Fontana RDA  
 Refunding of Subordinate Lien 2005A (North Fontana Redevelopment Project)  
 \*\*\*\*  
 Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS  
 Assumed Underlying Rating ---/AA-/-  
 Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
 Principal payment date moved to October 1 for all series  
 \*\*\*\*

| Date       | Prior<br>Debt Service | Refunding<br>Debt Service | Savings       | Present Value<br>to 10/04/2017<br>@ 2.8237299% |
|------------|-----------------------|---------------------------|---------------|--|
| 10/01/2018 | 8,387,850.00          | 7,357,280.42              | 1,030,569.58  | 1,007,400.04                                   |
| 10/01/2019 | 8,387,250.00          | 7,355,750.00              | 1,031,500.00  | 979,856.58                                     |
| 10/01/2020 | 8,386,000.00          | 7,354,750.00              | 1,031,250.00  | 952,207.13                                     |
| 10/01/2021 | 11,646,000.00         | 10,218,750.00             | 1,427,250.00  | 1,279,605.29                                   |
| 10/01/2022 | 11,643,750.00         | 10,215,250.00             | 1,428,500.00  | 1,245,041.98                                   |
| 10/01/2023 | 11,643,750.00         | 10,216,250.00             | 1,427,500.00  | 1,209,496.28                                   |
| 10/01/2024 | 11,950,000.00         | 10,480,750.00             | 1,469,250.00  | 1,210,090.77                                   |
| 10/01/2025 | 9,116,250.00          | 7,994,750.00              | 1,121,500.00  | 898,395.46                                     |
| 10/01/2026 | 9,117,750.00          | 7,999,250.00              | 1,118,500.00  | 871,014.60                                     |
| 10/01/2027 | 9,118,750.00          | 8,000,000.00              | 1,118,750.00  | 846,907.61                                     |
| 10/01/2028 | 9,118,500.00          | 8,001,500.00              | 1,117,000.00  | 821,987.92                                     |
| 10/01/2029 | 9,116,250.00          | 7,998,000.00              | 1,118,250.00  | 799,932.07                                     |
| 10/01/2030 | 9,116,250.00          | 7,999,000.00              | 1,117,250.00  | 776,893.39                                     |
| 10/01/2031 | 9,117,500.00          | 7,998,500.00              | 1,119,000.00  | 756,364.03                                     |
| 10/01/2032 | 9,114,000.00          | 7,995,750.00              | 1,118,250.00  | 734,722.38                                     |
|            | 144,979,850.00        | 127,185,530.42            | 17,794,319.58 | 14,389,915.53                                  |

Savings Summary

|                               |               |
|-------------------------------|---------------|
| PV of savings from cash flow  | 14,389,915.53 |
| Plus: Refunding funds on hand | -3,003.12     |
| Net PV Savings                | 14,386,912.41 |

Notes:

\*\*The 'Prior Adjustments' reflect the approximate loss of annual earnings from the GICs in the Prior Reserve Funds for Series 2000 (Downtown) and Series 2003A (SWIP). The GIC rate is 5.47% for Series 2000 (Downtown), and the GIC rate is 4.36% for Series 2003A (SWIP).

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

SAVINGS

Successor Agency to the Fontana RDA

Refunding of 2007 (Sierra Corridor Redevelopment Project)

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Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

\*\*\*\*\*

| Date       | Prior<br>Debt Service | Refunding<br>Debt Service | Savings      | Present Value<br>to 10/04/2017<br>@ 2.8237299% |
|------------|-----------------------|---------------------------|--------------|--|
| 10/01/2018 | 2,576,112.50          | 2,330,538.75              | 245,573.75   | 245,909.31                                     |
| 10/01/2019 | 2,575,612.50          | 2,330,350.00              | 245,262.50   | 238,565.76                                     |
| 10/01/2020 | 2,577,612.50          | 2,332,350.00              | 245,262.50   | 231,875.46                                     |
| 10/01/2021 | 2,576,862.50          | 2,332,750.00              | 244,112.50   | 224,331.47                                     |
| 10/01/2022 | 2,573,362.50          | 2,331,250.00              | 242,112.50   | 216,338.93                                     |
| 10/01/2023 | 2,577,112.50          | 2,332,250.00              | 244,862.50   | 212,645.09                                     |
| 10/01/2024 | 2,577,612.50          | 2,330,500.00              | 247,112.50   | 208,569.94                                     |
| 10/01/2025 | 2,579,862.50          | 2,336,000.00              | 243,862.50   | 200,162.11                                     |
| 10/01/2026 | 2,578,612.50          | 2,333,250.00              | 245,362.50   | 195,743.46                                     |
| 10/01/2027 | 2,578,862.50          | 2,332,500.00              | 246,362.50   | 191,038.25                                     |
| 10/01/2028 | 2,575,362.50          | 2,328,500.00              | 246,862.50   | 186,067.11                                     |
| 10/01/2029 | 2,573,112.50          | 2,331,250.00              | 241,862.50   | 177,294.88                                     |
| 10/01/2030 | 2,575,487.50          | 2,330,250.00              | 245,237.50   | 174,732.21                                     |
| 10/01/2031 | 2,574,262.50          | 2,330,500.00              | 243,762.50   | 168,894.58                                     |
| 10/01/2032 | 2,574,437.50          | 2,331,750.00              | 242,687.50   | 163,512.88                                     |
| 10/01/2033 | 2,575,862.50          | 2,333,750.00              | 242,112.50   | 158,600.48                                     |
| 10/01/2034 | 2,572,775.00          | 2,326,250.00              | 246,525.00   | 156,925.25                                     |
| 10/01/2035 | 3,500,175.00          | 3,169,500.00              | 330,675.00   | 204,681.51                                     |
| 10/01/2036 | 3,498,650.00          | 3,165,750.00              | 332,900.00   | 200,292.55                                     |
|            | 50,791,750.00         | 45,969,238.75             | 4,822,511.25 | 3,756,181.22                                   |

Savings Summary

|                               |              |
|-------------------------------|--------------|
| PV of savings from cash flow  | 3,756,181.22 |
| Plus: Refunding funds on hand | 131.28       |
| <hr/>                         |              |
| Net PV Savings                | 3,756,312.50 |

Notes:

\*\*The 'Prior Adjustments' reflect the approximate loss of annual earnings from the GICs in the Prior Reserve Funds for Series 2000 (Downtown) and Series 2003A (SWIP). The GIC rate is 5.47% for Series 2000 (Downtown), and the GIC rate is 4.36% for Series 2003A (SWIP).

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

## BOND DEBT SERVICE

Successor Agency to the Fontana RDA  
 2017 Refunding TABs (All Except Jurupa Hills)

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Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

\*\*\*\*\*

| Period Ending | Principal   | Coupon | Interest      | Debt Service   |
|---------------|-------------|--------|---------------|----------------|
| 10/01/2018    | 11,255,000  | ** %   | 10,259,312.29 | 21,514,312.29  |
| 10/01/2019    | 11,620,000  | ** %   | 9,901,122.00  | 21,521,122.00  |
| 10/01/2020    | 12,075,000  | ** %   | 9,440,795.00  | 21,515,795.00  |
| 10/01/2021    | 11,730,000  | ** %   | 8,961,603.00  | 20,691,603.00  |
| 10/01/2022    | 11,690,000  | ** %   | 8,384,349.00  | 20,074,349.00  |
| 10/01/2023    | 12,270,000  | ** %   | 7,808,209.00  | 20,078,209.00  |
| 10/01/2024    | 12,825,000  | ** %   | 7,202,696.00  | 20,027,696.00  |
| 10/01/2025    | 13,370,000  | ** %   | 6,568,920.00  | 19,938,920.00  |
| 10/01/2026    | 14,030,000  | ** %   | 5,907,455.00  | 19,937,455.00  |
| 10/01/2027    | 14,725,000  | ** %   | 5,212,440.50  | 19,937,440.50  |
| 10/01/2028    | 14,650,000  | ** %   | 4,482,066.50  | 19,132,066.50  |
| 10/01/2029    | 15,370,000  | ** %   | 3,754,773.00  | 19,124,773.00  |
| 10/01/2030    | 15,535,000  | ** %   | 2,990,787.00  | 18,525,787.00  |
| 10/01/2031    | 15,720,000  | ** %   | 2,218,101.00  | 17,938,101.00  |
| 10/01/2032    | 16,510,000  | ** %   | 1,435,692.00  | 17,945,692.00  |
| 10/01/2033    | 3,755,000   | 5.000% | 613,250.00    | 4,368,250.00   |
| 10/01/2034    | 2,620,000   | 5.000% | 425,500.00    | 3,045,500.00   |
| 10/01/2035    | 2,875,000   | 5.000% | 294,500.00    | 3,169,500.00   |
| 10/01/2036    | 3,015,000   | 5.000% | 150,750.00    | 3,165,750.00   |
|               | 215,640,000 |        | 96,012,321.29 | 311,652,321.29 |

## Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

BOND DEBT SERVICE

Successor Agency to the Fontana RDA  
2017 Refunding TABs (All Except Jurupa Hills)

\*\*\*\*\*

Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
Principal payment date moved to October 1 for all series

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| Period Ending | Principal   | Coupon | Interest      | Debt Service   | Annual Debt Service |
|---------------|-------------|--------|---------------|----------------|---------------------|
| 04/01/2018    |             |        | 5,086,549.79  | 5,086,549.79   |                     |
| 10/01/2018    | 11,255,000  | ** %   | 5,172,762.50  | 16,427,762.50  | 21,514,312.29       |
| 04/01/2019    |             |        | 4,950,561.00  | 4,950,561.00   |                     |
| 10/01/2019    | 11,620,000  | ** %   | 4,950,561.00  | 16,570,561.00  | 21,521,122.00       |
| 04/01/2020    |             |        | 4,720,397.50  | 4,720,397.50   |                     |
| 10/01/2020    | 12,075,000  | ** %   | 4,720,397.50  | 16,795,397.50  | 21,515,795.00       |
| 04/01/2021    |             |        | 4,480,801.50  | 4,480,801.50   |                     |
| 10/01/2021    | 11,730,000  | ** %   | 4,480,801.50  | 16,210,801.50  | 20,691,603.00       |
| 04/01/2022    |             |        | 4,192,174.50  | 4,192,174.50   |                     |
| 10/01/2022    | 11,690,000  | ** %   | 4,192,174.50  | 15,882,174.50  | 20,074,349.00       |
| 04/01/2023    |             |        | 3,904,104.50  | 3,904,104.50   |                     |
| 10/01/2023    | 12,270,000  | ** %   | 3,904,104.50  | 16,174,104.50  | 20,078,209.00       |
| 04/01/2024    |             |        | 3,601,348.00  | 3,601,348.00   |                     |
| 10/01/2024    | 12,825,000  | ** %   | 3,601,348.00  | 16,426,348.00  | 20,027,696.00       |
| 04/01/2025    |             |        | 3,284,460.00  | 3,284,460.00   |                     |
| 10/01/2025    | 13,370,000  | ** %   | 3,284,460.00  | 16,654,460.00  | 19,938,920.00       |
| 04/01/2026    |             |        | 2,953,727.50  | 2,953,727.50   |                     |
| 10/01/2026    | 14,030,000  | ** %   | 2,953,727.50  | 16,983,727.50  | 19,937,455.00       |
| 04/01/2027    |             |        | 2,606,220.25  | 2,606,220.25   |                     |
| 10/01/2027    | 14,725,000  | ** %   | 2,606,220.25  | 17,331,220.25  | 19,937,440.50       |
| 04/01/2028    |             |        | 2,241,033.25  | 2,241,033.25   |                     |
| 10/01/2028    | 14,650,000  | ** %   | 2,241,033.25  | 16,891,033.25  | 19,132,066.50       |
| 04/01/2029    |             |        | 1,877,386.50  | 1,877,386.50   |                     |
| 10/01/2029    | 15,370,000  | ** %   | 1,877,386.50  | 17,247,386.50  | 19,124,773.00       |
| 04/01/2030    |             |        | 1,495,393.50  | 1,495,393.50   |                     |
| 10/01/2030    | 15,535,000  | ** %   | 1,495,393.50  | 17,030,393.50  | 18,525,787.00       |
| 04/01/2031    |             |        | 1,109,050.50  | 1,109,050.50   |                     |
| 10/01/2031    | 15,720,000  | ** %   | 1,109,050.50  | 16,829,050.50  | 17,938,101.00       |
| 04/01/2032    |             |        | 717,846.00    | 717,846.00     |                     |
| 10/01/2032    | 16,510,000  | ** %   | 717,846.00    | 17,227,846.00  | 17,945,692.00       |
| 04/01/2033    |             |        | 306,625.00    | 306,625.00     |                     |
| 10/01/2033    | 3,755,000   | 5.000% | 306,625.00    | 4,061,625.00   | 4,368,250.00        |
| 04/01/2034    |             |        | 212,750.00    | 212,750.00     |                     |
| 10/01/2034    | 2,620,000   | 5.000% | 212,750.00    | 2,832,750.00   | 3,045,500.00        |
| 04/01/2035    |             |        | 147,250.00    | 147,250.00     |                     |
| 10/01/2035    | 2,875,000   | 5.000% | 147,250.00    | 3,022,250.00   | 3,169,500.00        |
| 04/01/2036    |             |        | 75,375.00     | 75,375.00      |                     |
| 10/01/2036    | 3,015,000   | 5.000% | 75,375.00     | 3,090,375.00   | 3,165,750.00        |
|               | 215,640,000 |        | 96,012,321.29 | 311,652,321.29 | 311,652,321.29      |

Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

## BOND DEBT SERVICE

Successor Agency to the Fontana RDA

Tax Exempt 2017 Series A

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Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt &amp; Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

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| Period Ending | Principal   | Coupon | Interest      | Debt Service   |
|---------------|-------------|--------|---------------|----------------|
| 10/01/2018    | 10,945,000  | 4.000% | 9,973,142.08  | 20,918,142.08  |
| 10/01/2019    | 11,305,000  | 4.000% | 9,619,150.00  | 20,924,150.00  |
| 10/01/2020    | 11,755,000  | 4.000% | 9,166,950.00  | 20,921,950.00  |
| 10/01/2021    | 11,270,000  | 5.000% | 8,696,750.00  | 19,966,750.00  |
| 10/01/2022    | 11,215,000  | 5.000% | 8,133,250.00  | 19,348,250.00  |
| 10/01/2023    | 11,780,000  | 5.000% | 7,572,500.00  | 19,352,500.00  |
| 10/01/2024    | 12,320,000  | 5.000% | 6,983,500.00  | 19,303,500.00  |
| 10/01/2025    | 12,845,000  | 5.000% | 6,367,500.00  | 19,212,500.00  |
| 10/01/2026    | 13,485,000  | 5.000% | 5,725,250.00  | 19,210,250.00  |
| 10/01/2027    | 14,160,000  | 5.000% | 5,051,000.00  | 19,211,000.00  |
| 10/01/2028    | 14,065,000  | 5.000% | 4,343,000.00  | 18,408,000.00  |
| 10/01/2029    | 14,760,000  | 5.000% | 3,639,750.00  | 18,399,750.00  |
| 10/01/2030    | 14,900,000  | 5.000% | 2,901,750.00  | 17,801,750.00  |
| 10/01/2031    | 15,055,000  | 5.000% | 2,156,750.00  | 17,211,750.00  |
| 10/01/2032    | 15,815,000  | 5.000% | 1,404,000.00  | 17,219,000.00  |
| 10/01/2033    | 3,755,000   | 5.000% | 613,250.00    | 4,368,250.00   |
| 10/01/2034    | 2,620,000   | 5.000% | 425,500.00    | 3,045,500.00   |
| 10/01/2035    | 2,875,000   | 5.000% | 294,500.00    | 3,169,500.00   |
| 10/01/2036    | 3,015,000   | 5.000% | 150,750.00    | 3,165,750.00   |
|               | 207,940,000 |        | 93,218,242.08 | 301,158,242.08 |

## Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

BOND DEBT SERVICE

Successor Agency to the Fontana RDA

Taxable 2017 Series B

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Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

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| Period Ending | Principal | Coupon | Interest     | Debt Service  |
|---------------|-----------|--------|--------------|---------------|
| 10/01/2018    | 310,000   | 2.130% | 286,170.21   | 596,170.21    |
| 10/01/2019    | 315,000   | 2.580% | 281,972.00   | 596,972.00    |
| 10/01/2020    | 320,000   | 2.810% | 273,845.00   | 593,845.00    |
| 10/01/2021    | 460,000   | 2.990% | 264,853.00   | 724,853.00    |
| 10/01/2022    | 475,000   | 3.240% | 251,099.00   | 726,099.00    |
| 10/01/2023    | 490,000   | 3.370% | 235,709.00   | 725,709.00    |
| 10/01/2024    | 505,000   | 3.520% | 219,196.00   | 724,196.00    |
| 10/01/2025    | 525,000   | 3.660% | 201,420.00   | 726,420.00    |
| 10/01/2026    | 545,000   | 3.810% | 182,205.00   | 727,205.00    |
| 10/01/2027    | 565,000   | 3.960% | 161,440.50   | 726,440.50    |
| 10/01/2028    | 585,000   | 4.110% | 139,066.50   | 724,066.50    |
| 10/01/2029    | 610,000   | 4.260% | 115,023.00   | 725,023.00    |
| 10/01/2030    | 635,000   | 4.360% | 89,037.00    | 724,037.00    |
| 10/01/2031    | 665,000   | 4.460% | 61,351.00    | 726,351.00    |
| 10/01/2032    | 695,000   | 4.560% | 31,692.00    | 726,692.00    |
|               | 7,700,000 |        | 2,794,079.21 | 10,494,079.21 |

Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

BOND DEBT SERVICE

Successor Agency to the Fontana RDA

Tax Exempt 2017 Series A

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Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

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| Period Ending | Principal   | Coupon | Interest      | Debt Service   | Annual Debt Service |
|---------------|-------------|--------|---------------|----------------|---------------------|
| 04/01/2018    |             |        | 4,944,667.08  | 4,944,667.08   |                     |
| 10/01/2018    | 10,945,000  | 4.000% | 5,028,475.00  | 15,973,475.00  | 20,918,142.08       |
| 04/01/2019    |             |        | 4,809,575.00  | 4,809,575.00   |                     |
| 10/01/2019    | 11,305,000  | 4.000% | 4,809,575.00  | 16,114,575.00  | 20,924,150.00       |
| 04/01/2020    |             |        | 4,583,475.00  | 4,583,475.00   |                     |
| 10/01/2020    | 11,755,000  | 4.000% | 4,583,475.00  | 16,338,475.00  | 20,921,950.00       |
| 04/01/2021    |             |        | 4,348,375.00  | 4,348,375.00   |                     |
| 10/01/2021    | 11,270,000  | 5.000% | 4,348,375.00  | 15,618,375.00  | 19,966,750.00       |
| 04/01/2022    |             |        | 4,066,625.00  | 4,066,625.00   |                     |
| 10/01/2022    | 11,215,000  | 5.000% | 4,066,625.00  | 15,281,625.00  | 19,348,250.00       |
| 04/01/2023    |             |        | 3,786,250.00  | 3,786,250.00   |                     |
| 10/01/2023    | 11,780,000  | 5.000% | 3,786,250.00  | 15,566,250.00  | 19,352,500.00       |
| 04/01/2024    |             |        | 3,491,750.00  | 3,491,750.00   |                     |
| 10/01/2024    | 12,320,000  | 5.000% | 3,491,750.00  | 15,811,750.00  | 19,303,500.00       |
| 04/01/2025    |             |        | 3,183,750.00  | 3,183,750.00   |                     |
| 10/01/2025    | 12,845,000  | 5.000% | 3,183,750.00  | 16,028,750.00  | 19,212,500.00       |
| 04/01/2026    |             |        | 2,862,625.00  | 2,862,625.00   |                     |
| 10/01/2026    | 13,485,000  | 5.000% | 2,862,625.00  | 16,347,625.00  | 19,210,250.00       |
| 04/01/2027    |             |        | 2,525,500.00  | 2,525,500.00   |                     |
| 10/01/2027    | 14,160,000  | 5.000% | 2,525,500.00  | 16,685,500.00  | 19,211,000.00       |
| 04/01/2028    |             |        | 2,171,500.00  | 2,171,500.00   |                     |
| 10/01/2028    | 14,065,000  | 5.000% | 2,171,500.00  | 16,236,500.00  | 18,408,000.00       |
| 04/01/2029    |             |        | 1,819,875.00  | 1,819,875.00   |                     |
| 10/01/2029    | 14,760,000  | 5.000% | 1,819,875.00  | 16,579,875.00  | 18,399,750.00       |
| 04/01/2030    |             |        | 1,450,875.00  | 1,450,875.00   |                     |
| 10/01/2030    | 14,900,000  | 5.000% | 1,450,875.00  | 16,350,875.00  | 17,801,750.00       |
| 04/01/2031    |             |        | 1,078,375.00  | 1,078,375.00   |                     |
| 10/01/2031    | 15,055,000  | 5.000% | 1,078,375.00  | 16,133,375.00  | 17,211,750.00       |
| 04/01/2032    |             |        | 702,000.00    | 702,000.00     |                     |
| 10/01/2032    | 15,815,000  | 5.000% | 702,000.00    | 16,517,000.00  | 17,219,000.00       |
| 04/01/2033    |             |        | 306,625.00    | 306,625.00     |                     |
| 10/01/2033    | 3,755,000   | 5.000% | 306,625.00    | 4,061,625.00   | 4,368,250.00        |
| 04/01/2034    |             |        | 212,750.00    | 212,750.00     |                     |
| 10/01/2034    | 2,620,000   | 5.000% | 212,750.00    | 2,832,750.00   | 3,045,500.00        |
| 04/01/2035    |             |        | 147,250.00    | 147,250.00     |                     |
| 10/01/2035    | 2,875,000   | 5.000% | 147,250.00    | 3,022,250.00   | 3,169,500.00        |
| 04/01/2036    |             |        | 75,375.00     | 75,375.00      |                     |
| 10/01/2036    | 3,015,000   | 5.000% | 75,375.00     | 3,090,375.00   | 3,165,750.00        |
|               | 207,940,000 |        | 93,218,242.08 | 301,158,242.08 | 301,158,242.08      |

Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

BOND DEBT SERVICE

Successor Agency to the Fontana RDA

Taxable 2017 Series B

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Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series

Principal payment date moved to October 1 for all series

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| Period Ending | Principal | Coupon | Interest     | Debt Service  | Annual Debt Service |
|---------------|-----------|--------|--------------|---------------|---------------------|
| 04/01/2018    |           |        | 141,882.71   | 141,882.71    |                     |
| 10/01/2018    | 310,000   | 2.130% | 144,287.50   | 454,287.50    | 596,170.21          |
| 04/01/2019    |           |        | 140,986.00   | 140,986.00    |                     |
| 10/01/2019    | 315,000   | 2.580% | 140,986.00   | 455,986.00    | 596,972.00          |
| 04/01/2020    |           |        | 136,922.50   | 136,922.50    |                     |
| 10/01/2020    | 320,000   | 2.810% | 136,922.50   | 456,922.50    | 593,845.00          |
| 04/01/2021    |           |        | 132,426.50   | 132,426.50    |                     |
| 10/01/2021    | 460,000   | 2.990% | 132,426.50   | 592,426.50    | 724,853.00          |
| 04/01/2022    |           |        | 125,549.50   | 125,549.50    |                     |
| 10/01/2022    | 475,000   | 3.240% | 125,549.50   | 600,549.50    | 726,099.00          |
| 04/01/2023    |           |        | 117,854.50   | 117,854.50    |                     |
| 10/01/2023    | 490,000   | 3.370% | 117,854.50   | 607,854.50    | 725,709.00          |
| 04/01/2024    |           |        | 109,598.00   | 109,598.00    |                     |
| 10/01/2024    | 505,000   | 3.520% | 109,598.00   | 614,598.00    | 724,196.00          |
| 04/01/2025    |           |        | 100,710.00   | 100,710.00    |                     |
| 10/01/2025    | 525,000   | 3.660% | 100,710.00   | 625,710.00    | 726,420.00          |
| 04/01/2026    |           |        | 91,102.50    | 91,102.50     |                     |
| 10/01/2026    | 545,000   | 3.810% | 91,102.50    | 636,102.50    | 727,205.00          |
| 04/01/2027    |           |        | 80,720.25    | 80,720.25     |                     |
| 10/01/2027    | 565,000   | 3.960% | 80,720.25    | 645,720.25    | 726,440.50          |
| 04/01/2028    |           |        | 69,533.25    | 69,533.25     |                     |
| 10/01/2028    | 585,000   | 4.110% | 69,533.25    | 654,533.25    | 724,066.50          |
| 04/01/2029    |           |        | 57,511.50    | 57,511.50     |                     |
| 10/01/2029    | 610,000   | 4.260% | 57,511.50    | 667,511.50    | 725,023.00          |
| 04/01/2030    |           |        | 44,518.50    | 44,518.50     |                     |
| 10/01/2030    | 635,000   | 4.360% | 44,518.50    | 679,518.50    | 724,037.00          |
| 04/01/2031    |           |        | 30,675.50    | 30,675.50     |                     |
| 10/01/2031    | 665,000   | 4.460% | 30,675.50    | 695,675.50    | 726,351.00          |
| 04/01/2032    |           |        | 15,846.00    | 15,846.00     |                     |
| 10/01/2032    | 695,000   | 4.560% | 15,846.00    | 710,846.00    | 726,692.00          |
|               | 7,700,000 |        | 2,794,079.21 | 10,494,079.21 | 10,494,079.21       |

Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

ESCROW REQUIREMENTS

Successor Agency to the Fontana RDA  
2017 Refunding TABs (All Except Jurupa Hills)

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Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
Principal payment date moved to October 1 for all series

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|               |            |
|---------------|------------|
| Dated Date    | 10/04/2017 |
| Delivery Date | 10/04/2017 |

| Period Ending | Interest     | Principal Redeemed | Total          |
|---------------|--------------|--------------------|----------------|
| 11/03/2017    | 1,678,244.48 | 245,390,000.00     | 247,068,244.48 |
|               | 1,678,244.48 | 245,390,000.00     | 247,068,244.48 |

Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

SUMMARY OF BONDS REFUNDED

Successor Agency to the Fontana RDA  
2017 Refunding TABs (All Except Jurupa Hills)

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Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
Principal payment date moved to October 1 for all series

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| Bond  | Maturity Date | Interest Rate | Par Amount           | Call Date  | Call Price |
|---|---------------|---------------|----------------------|------------|------------|
| RDA 1998 Tax Allocation Refunding Bonds (Southwest Industrial Park Project), 1998:                              |               |               |                      |            |            |
| TERM22  | 09/01/2022    | 5.000%        | 8,340,000.00         | 11/03/2017 | 100.000    |
| TERM26  | 09/01/2026    | 4.750%        | 8,240,000.00         | 11/03/2017 | 100.000    |
| TERM30  | 09/01/2030    | 5.200%        | <u>7,195,000.00</u>  | 11/03/2017 | 100.000    |
|   |               |               | 23,775,000.00        |            |            |
| RDA 2000 Tax Allocation Refunding Bonds (Downtown Redevelopment Project), 2000:                                 |               |               |                      |            |            |
| SERIAL  | 09/01/2018    | 5.000%        | 750,000.00           | 11/03/2017 | 100.000    |
| TERM21  | 09/01/2021    | 5.000%        | <u>2,480,000.00</u>  | 11/03/2017 | 100.000    |
|   |               |               | 3,230,000.00         |            |            |
| PFA Tax Allocation Revenue Bonds (North Fontana Redevelopment Project) 2001 Series A, 2001A:                    |               |               |                      |            |            |
| SERIAL  | 09/01/2018    | 5.250%        | 3,925,000.00         | 11/03/2017 | 100.000    |
| TERM20  | 09/01/2020    | 5.250%        | 8,475,000.00         | 11/03/2017 | 100.000    |
| TERM23  | 09/01/2023    | 5.000%        | <u>1,615,000.00</u>  | 11/03/2017 | 100.000    |
|   |               |               | 14,015,000.00        |            |            |
| PFA Tax Allocation Revenue Bonds (North Fontana Redevelopment Project) 2003 Series A, 2003A:                    |               |               |                      |            |            |
| SERIAL  | 09/01/2018    | 4.400%        | 460,000.00           | 11/03/2017 | 100.000    |
|   | 09/01/2019    | 4.500%        | 480,000.00           | 11/03/2017 | 100.000    |
|   | 09/01/2020    | 4.625%        | 505,000.00           | 11/03/2017 | 100.000    |
|   | 09/01/2021    | 4.625%        | 525,000.00           | 11/03/2017 | 100.000    |
|   | 09/01/2022    | 4.750%        | 545,000.00           | 11/03/2017 | 100.000    |
|   | 09/01/2023    | 4.750%        | 575,000.00           | 11/03/2017 | 100.000    |
| TERM25  | 09/01/2025    | 5.375%        | 4,660,000.00         | 11/03/2017 | 100.000    |
| SERIAL  | 09/01/2026    | 5.000%        | 3,970,000.00         | 11/03/2017 | 100.000    |
| TERM32  | 09/01/2032    | 5.500%        | <u>28,720,000.00</u> | 11/03/2017 | 100.000    |
|   |               |               | 40,440,000.00        |            |            |
| Redevelopment Agency 2003 Subordinate Tax Allocation Bonds (Southwest Industrial Park Project) Serie, 2003A_V2: |               |               |                      |            |            |
| SERIAL  | 10/01/2018    | 4.250%        | 540,000.00           | 11/03/2017 | 100.000    |
|   | 10/01/2019    | 4.375%        | 565,000.00           | 11/03/2017 | 100.000    |
|   | 10/01/2020    | 4.500%        | 590,000.00           | 11/03/2017 | 100.000    |
|   | 10/01/2021    | 4.500%        | 620,000.00           | 11/03/2017 | 100.000    |
| TERM28  | 10/01/2028    | 4.900%        | 5,095,000.00         | 11/03/2017 | 100.000    |
| TERM33  | 10/01/2033    | 4.950%        | <u>5,770,000.00</u>  | 11/03/2017 | 100.000    |
|   |               |               | 13,180,000.00        |            |            |
| PFA Tax Allocation Revenue Bonds (North Fontana Redevelopment Project) 2003 Series B Taxable, 2003B_TX:         |               |               |                      |            |            |
| TERM23  | 09/01/2023    | 6.220%        | 1,940,000.00         | 11/03/2017 | 100.000    |
| TERM32  | 09/01/2032    | 6.420%        | <u>5,610,000.00</u>  | 11/03/2017 | 100.000    |
|   |               |               | 7,550,000.00         |            |            |
| Redevelopment Agency 2004 Tax Allocation Bonds (Sierra Corridor Commercial Redevelopment Project), 2004:        |               |               |                      |            |            |
| SERIAL  | 09/01/2018    | 5.000%        | 380,000.00           | 11/03/2017 | 100.000    |
|   | 09/01/2019    | 5.100%        | 400,000.00           | 11/03/2017 | 100.000    |
|   | 09/01/2020    | 5.100%        | 420,000.00           | 11/03/2017 | 100.000    |
|   | 09/01/2021    | 5.200%        | 440,000.00           | 11/03/2017 | 100.000    |
|   | 09/01/2022    | 5.250%        | 465,000.00           | 11/03/2017 | 100.000    |
|   | 09/01/2023    | 5.250%        | 490,000.00           | 11/03/2017 | 100.000    |
|   | 09/01/2024    | 5.300%        | 515,000.00           | 11/03/2017 | 100.000    |
| TERM29  | 09/01/2029    | 5.450%        | 3,015,000.00         | 11/03/2017 | 100.000    |
| TERM34  | 09/01/2034    | 5.500%        | <u>3,940,000.00</u>  | 11/03/2017 | 100.000    |
|   |               |               | 10,065,000.00        |            |            |
| PFA Subordinate Lien Tax Allocation Bonds (North Fontana Redevelopment Project) 2005 Series A, 2005A:           |               |               |                      |            |            |
| SERIAL  | 10/01/2018    | 4.000%        | 3,390,000.00         | 11/03/2017 | 100.000    |
|   | 10/01/2019    | 5.000%        | 3,525,000.00         | 11/03/2017 | 100.000    |
|   | 10/01/2020    | 5.000%        | 3,700,000.00         | 11/03/2017 | 100.000    |

SUMMARY OF BONDS REFUNDED

Successor Agency to the Fontana RDA  
2017 Refunding TABs (All Except Jurupa Hills)

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Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS

Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
Principal payment date moved to October 1 for all series

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| Bond   | Maturity Date | Interest Rate | Par Amount           | Call Date  | Call Price |
|--|---------------|---------------|----------------------|------------|------------|
| PFA Subordinate Lien Tax Allocation Bonds (North Fontana Redevelopment Project) 2005 Series A, 2005A:    |               |               |                      |            |            |
| SERIAL   | 10/01/2021    | 5.000%        | 7,145,000.00         | 11/03/2017 | 100.000    |
|  | 10/01/2022    | 5.000%        | 7,500,000.00         | 11/03/2017 | 100.000    |
|  | 10/01/2023    | 5.000%        | 7,875,000.00         | 11/03/2017 | 100.000    |
|  | 10/01/2024    | 5.000%        | 8,575,000.00         | 11/03/2017 | 100.000    |
|  | 10/01/2025    | 5.000%        | 6,170,000.00         | 11/03/2017 | 100.000    |
|  | 10/01/2026    | 5.000%        | 6,480,000.00         | 11/03/2017 | 100.000    |
| TERM29   | 10/01/2029    | 5.000%        | 21,450,000.00        | 11/03/2017 | 100.000    |
| TERM32   | 10/01/2032    | 5.000%        | <u>24,825,000.00</u> | 11/03/2017 | 100.000    |
|  |               |               | 100,635,000.00       |            |            |
| Redevelopment Agency 2007 Tax Allocation Bonds (Sierra Corridor Commercial Redevelopment Project), 2007: |               |               |                      |            |            |
| SERIAL   | 09/01/2018    | 5.000%        | 1,010,000.00         | 11/03/2017 | 100.000    |
|  | 09/01/2019    | 5.000%        | 1,060,000.00         | 11/03/2017 | 100.000    |
|  | 09/01/2020    | 5.000%        | 1,115,000.00         | 11/03/2017 | 100.000    |
|  | 09/01/2021    | 5.000%        | 1,170,000.00         | 11/03/2017 | 100.000    |
|  | 09/01/2022    | 5.000%        | 1,225,000.00         | 11/03/2017 | 100.000    |
|  | 09/01/2023    | 5.000%        | 1,290,000.00         | 11/03/2017 | 100.000    |
| TERM28   | 09/01/2028    | 5.000%        | 7,490,000.00         | 11/03/2017 | 100.000    |
| TERM31   | 09/01/2031    | 4.500%        | 5,415,000.00         | 11/03/2017 | 100.000    |
| TERM36   | 09/01/2036    | 4.750%        | <u>12,725,000.00</u> | 11/03/2017 | 100.000    |
|  |               |               | 32,500,000.00        |            |            |
|  |               |               | 245,390,000.00       |            |            |

Notes:

\*\*The series that are currently callable on any date are being modeled to be redeemed 30 days after closing. This could likely be refined.

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

DISCLAIMER

Successor Agency to the Fontana RDA  
2017 Refunding TABs (All Except Jurupa Hills)

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Interest Rates as of 6/13/2017 Market Conditions PLUS 50 BASIS POINTS  
Assumed Underlying Rating ---/AA-/-

Scenario: Tax-Exempt & Taxable Refunding; All Outstanding Maturities Except Jurupa Hills Series  
Principal payment date moved to October 1 for all series

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Notes:

The Tax-Exempt financing was evaluated at interest rate spreads to the generic 'AAA' municipal yield index ('MMD') of +5 basis points beginning in 2018 increasing to +45 basis points in 2029 to the maturity of the Bonds. The Taxable financing was evaluated at interest rate spreads to the US Treasury Curve of +25 basis points beginning in 2018 increasing to +185 basis points in 2032, which is the final maturity. There is an additional +50 basis point interest cushion added to the interest rates. The interest rate spreads and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels. The refunding analysis was performed with no changes to the term of the debt service from the currently outstanding issues.

**ACTION REPORT**  
**August 18, 2017**

**FROM:** Department of Management Services

**SUBJECT:** Amended Recognized Obligation Payment Schedule (ROPS) 17-18B

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**RECOMMENDATION:**

1. Adopt **Resolution No. FOB 2017-**\_\_\_\_ of the Oversight Board of the Successor Agency to the dissolved Fontana Redevelopment Agency, approving an Amendment to the Recognized Obligation Payment Schedule for July 1, 2017 through June 30, 2018 pursuant to Health and Safety Code Section 34177(o)(1)(E)
2. Determine that this action is exempt from the California Environmental Quality Act (CEQA), and direct staff to file a Notice of Exemption.

**DISCUSSION:**

The Successor Agency previously prepared, and the Oversight Board and the Department of Finance approved, the ROPS for Fiscal Year 2017-18.

Health and Safety Code Section 34177(o)(1)(E) permits the Successor Agency to amend each annual ROPS one time, for the purpose of amending the amount requested for payment of approved enforceable obligations on the ROPS; provided that the Oversight Board finds that the amendment is necessary for the payment of approved enforceable obligations during the second half of the fiscal year.

The approved ROPS for Fiscal Year 2017-18 requests money from the Successor Agency's Redevelopment Property Tax Trust Fund ("RPTTF") to pay debt service on the Successor Agency's bond obligations in an amount equal to half of the bond year's debt service; however, the indenture under which such bonds were issued requires that the Successor Agency request the full amount of debt service due on such bonds for the entire bond year from the RPTTF disbursement on January 2 of each year, to the extent such moneys are available from the Jurupa Hills Redevelopment Project.

The Successor Agency has prepared an amendment to the ROPS for Fiscal Year 2017-18 (the "ROPS Amendment") to request the full bond year's debt service on the Fontana Redevelopment Agency Jurupa Hills Redevelopment Project Tax Allocation Refunding Bonds, 1999 Series A and the Fontana Redevelopment Agency Jurupa Hills Redevelopment Project Tax Allocation Refunding Bonds, 1997 Series A (collectively, the "Jurupa Hills Bonds"), from the RPTTF to be distributed to the Successor Agency on January 2, 2018.

The proposed ROPS Amendment is necessary for the payment of debt service on the Jurupa Hills Bonds in accordance with the indentures under which the Jurupa

Hills Bonds were issued during the second half of the ROPS period.

The ROPS Amendment is necessary to enable the Successor Agency to refund certain of its indebtedness obligations for savings, as permitted by Health and Safety Code Section 34177.5(a)(1).

**FISCAL IMPACT:**

No funds are involved with the approval of the ROPS.

**MOTION:**

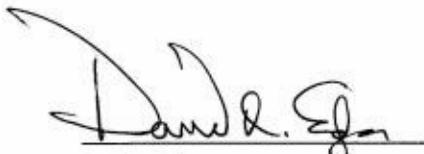
Approve staff recommendation.

**SUBMITTED BY:**



Lisa Strong  
Management Services Director

**REVIEWED BY:**



David R. Edgar  
Deputy City Manager

**APPROVED BY:**



Kenneth R. Hunt  
City Manager

**ATTACHMENTS:**

| Description:                        | Type:      |
|-------------------------------------|------------|
| <a href="#">Proposed Resolution</a> | Resolution |

**ITEM: NB-B**

**RESOLUTION NO. FOB 2017-\_\_\_\_\_**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED FONTANA REDEVELOPMENT AGENCY, APPROVING AN AMENDMENT TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2017 THROUGH JUNE 30, 2018 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(o)(1)(E)**

**WHEREAS**, pursuant to Health and Safety Code Section 34173(d), the City of Fontana (“Successor Agency”) is the successor agency to the dissolved Fontana Redevelopment Agency (“Agency”), as confirmed by Resolution No. 2012-001 adopted on January 10, 2012; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179(a), the Oversight Board is the Successor Agency’s oversight board; and

**WHEREAS**, Health and Safety Code Section 34177(l), as adopted by AB1x 26, adopted in June 2011, as modified by the Supreme Court opinion in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and other subsequently adopted legislation, and Health and Safety Code Section 24177(o), as adopted by SB 107, signed by the Governor on September 22, 2015, required the Successor Agency to prepare a “recognized obligation payment schedule” (“ROPS”) listing outstanding obligations of the Agency to be performed by the Successor Agency during the time period from July 1, 2017, through June 30, 2018 (“Fiscal Year 2017-18”); and

**WHEREAS**, the Successor Agency prepared the ROPS for Fiscal Year 2017-18 and the Oversight Board and Department of Finance approved the ROPS for Fiscal Year 2017-18; and

**WHEREAS**, Health and Safety Code Section 34177(o)(1)(E) permits the Successor Agency to amend each annual ROPS one time, for the purpose of amending the amount requested for payment of approved enforceable obligations on the ROPS; provided that the Oversight Board finds that the amendment is necessary for the payment of approved enforceable obligations during the second half of the fiscal year; and

**WHEREAS**, the approved ROPS for Fiscal Year 2017-18 requests money from the Successor Agency’s Redevelopment Property Tax Trust Fund (“RPTTF”) to pay debt service on the Successor Agency’s bond obligations in an amount equal to half of the bond year’s debt service; however, the indenture under which such bonds were issued requires that the Successor Agency request the full amount of debt service due on such bonds for the entire bond year from the RPTTF disbursement on January 2 of each year, to the extent such moneys are available from the Jurupa Hills Redevelopment Project; and

**Resolution No. FOB 2017-\_\_\_\_**

**WHEREAS**, the Successor Agency has prepared an amendment to the ROPS for Fiscal Year 2017-18 (the “ROPS Amendment”) to request the full bond year’s debt service on the Fontana Redevelopment Agency Jurupa Hills Redevelopment Project Tax Allocation Refunding Bonds, 1999 Series A and the Fontana Redevelopment Agency Jurupa Hills Redevelopment Project Tax Allocation Refunding Bonds, 1997 Series A (collectively, the “Jurupa Hills Bonds”), from the RPTTF to be distributed to the Successor Agency on January 2, 2018; and

**WHEREAS**, the proposed ROPS Amendment is necessary for the payment of debt service on the Jurupa Hills Bonds in accordance with the indentures under which the Jurupa Hills Bonds were issued during the second half of the ROPS period; and

**WHEREAS**, the ROPS Amendment is necessary to enable the Successor Agency to refund certain of its indebtedness obligations for savings, as permitted by Health and Safety Code Section 34177.5(a)(1); and

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED FONTANA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AND FIND AS FOLLOWS:**

**Section 1. Recitals.** The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

**Section 2. CEQA Compliance.** The approval of the ROPS Amendment through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act. The City Clerk, acting on behalf of the Oversight Board, is authorized and directed to file a Notice of Exemption with the appropriate official of the County of San Bernardino, California, within five (5) days following the date of adoption of this Resolution.

**Section 3. Approval of ROPS Amendment.** The Oversight Board hereby approves the ROPS Amendment in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34177(o)(1)(E). The Oversight Board hereby finds and determines that the ROPS Amendment is necessary for the payment of debt service on the Jurupa Hills Bonds in accordance with the indentures under which the Jurupa Hills Bonds were issued during the second half of the ROPS period. In addition, the ROPS Amendment is necessary to enable the Successor Agency to refund certain of its indebtedness obligations for savings, as permitted by Health and Safety Code Section 34177.5(a)(1).

**Section 4. Implementation.** The Oversight Board hereby directs the Successor Agency to submit copies of the ROPS Amendment approved by the Oversight Board to the county auditor-controller and the Department of Finance, and posting on the Successor Agency’s Internet Web site no later than October 1, 2017.

**Resolution No. FOB 2017-\_\_\_\_**

**Section 5. Severability.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 6. Certification.** The City Clerk, acting on behalf of the Oversight Board, shall certify to the adoption of this Resolution.

**Section 7. Effective Date.** This Resolution shall become effective immediately upon its adoption.

**Resolution No. FOB 2017-\_\_\_\_**

**APPROVED and ADOPTED** this 18<sup>th</sup> day of August, 2017.

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Evelyne Ssenkoloto, Chairperson  
Oversight Board of the Successor Agency to the  
Fontana Redevelopment Agency

**ATTEST:**

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John Roberts, Secretary  
Oversight Board of the Successor Agency to the  
Fontana Redevelopment Agency

I, John Roberts, acting as the Secretary of the Oversight Board of the Successor Agency to the Fontana Redevelopment Agency, do hereby certify that the foregoing Resolution is the actual Resolution duly and regularly adopted by the Oversight Board of the Successor Agency to the Fontana Redevelopment Agency at a regular meeting on the 18<sup>th</sup> day of August, 2017, by the following vote to-wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

John Roberts, Oversight Board Secretary

**EXHIBIT A**

**AMENDMENT TO**  
**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
**FOR JULY 1, 2017, THROUGH JUNE 30, 2018**

**[Attached behind this page]**

## Amended Recognized Obligation Payment Schedule (ROPS 17-18B) - Summary

Filed for the January 1, 2018 through June 30, 2018 Period

Successor Agency: Fontana  
County: San Bernardino

| Current Period Requested Funding for Enforceable Obligations (ROPS Detail) |                                   |                                      |                              |
|--|-----------------------------------|--------------------------------------|------------------------------|
|  | ROPS 17-18B<br>Authorized Amounts | ROPS 17-18B<br>Requested Adjustments | ROPS 17-18B<br>Amended Total |
| <b>A</b> Enforceable Obligations Funded as Follows (B+C+D):                | \$ 185,091                        | \$ -                                 | \$ 185,091                   |
| B Bond Proceeds  | -                                 | -                                    | -                            |
| C Reserve Balance  | -                                 | -                                    | -                            |
| D Other Funds  | 185,091                           | -                                    | 185,091                      |
| <b>E</b> Redevelopment Property Tax Trust Fund (RPTTF) (F+G):              | \$ 25,465,663                     | \$ 2,998,000                         | \$ 28,463,663                |
| F RPTTF  | 24,815,473                        | 2,998,000                            | 27,813,473                   |
| G Administrative RPTTF   | 650,190                           | -                                    | 650,190                      |
| <b>H</b> Current Period Enforceable Obligations (A+E):                     | \$ 25,650,754                     | \$ 2,998,000                         | \$ 28,648,754                |

Certification of Oversight Board Chairman:  
Pursuant to Section 3477 (0) 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 \_\_\_\_\_

Fontana Amended Recognized Obligation Payment Schedule (ROPS 17-18B) - ROPS Detail

January 1, 2018 through June 30, 2018