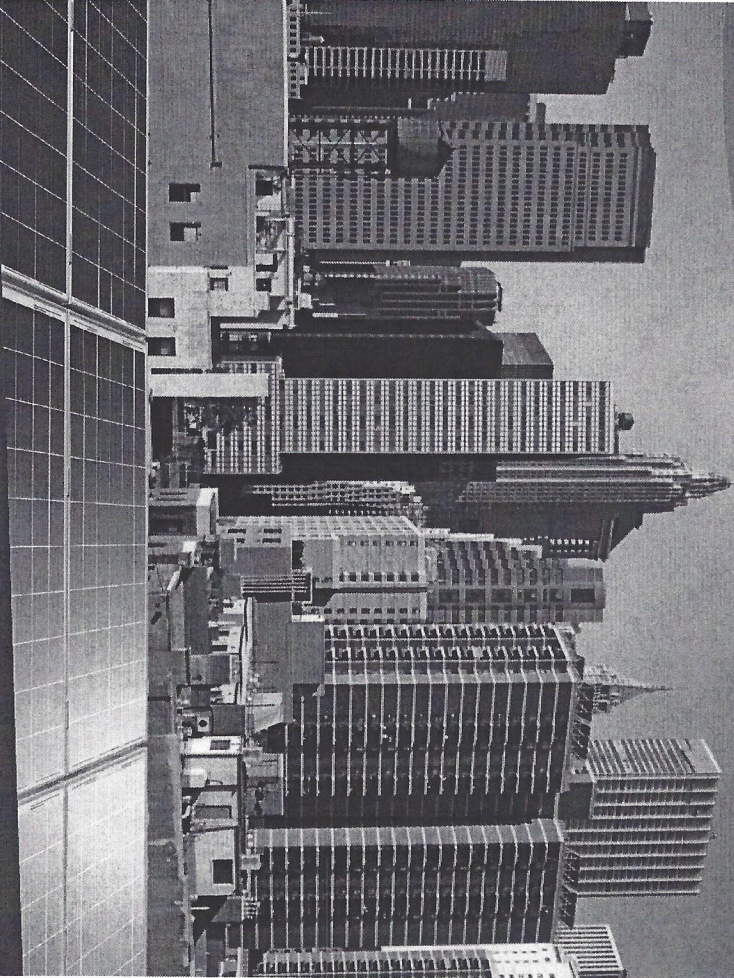


Energy Retrofits

How California Cities are Overhauling
Infrastructure for Greater Sustainability



A seminar presented by the
Independent Cities Finance Authority

March 20, 2014

Thank you all for joining us today.

The prevailing financial climate of recent years in California has pushed many cities to consider new ways to cut costs. The challenge, of course, has been to balance our budgets while still providing the excellent municipal services our residents have come to expect. For this, we turn to technology.

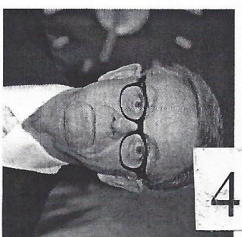
Advancements in technology have given our city leaders new and exciting ways to save much-needed funds while improving quality of life through first-rate services and reduced pollution. What's more, the private sector companies creating these new technologies are working with cities to finance energy retrofit endeavors at little to no cost to municipalities. At ICFCA, we see this as win-win for both the public and private sectors.

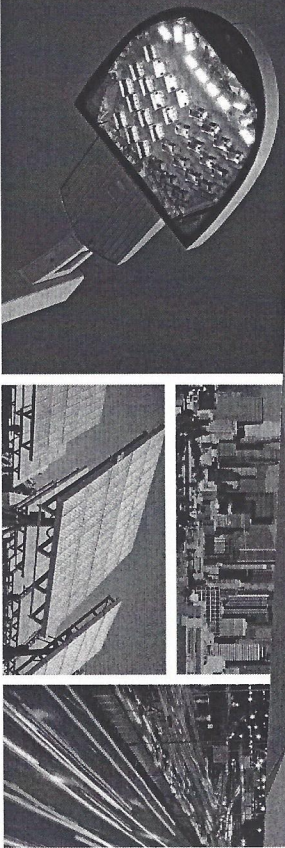
We are very excited to welcome you to our half-day seminar. We hope you enjoy the panels we've put together, and that you have the chance to connect with new associates. Working together we have so much to gain.

All the best,

A handwritten signature in black ink, appearing to read "Mike McCormick".

Mike McCormick
President of ICFCA





ENERGY RETROFITS WITH ICFA

Being positioned outside of laborious bureaucracies, ICFA projects are swiftly approved by a board of city elected officials. ICFA has no set application schedule. We process requests for financing as the need develops, often providing essential gap financing for municipal projects that would falter without it.

Contact ICFA Executive Director Debbie Smith to learn more about how ICFA can make your city's energy retrofit project a reality.

Debbie@icfaauthority.org
877-906-0941
www.icfaauthority.org

ICFA is overseen by elected city officials who share an interest in cost-effectively financing projects that make a difference in our communities.

AGENDA

9:00-9:15 a.m.

Opening Comments by ICFA President Mike McCormick

9:15-10:45 a.m.

Session 1: Municipal Street Lighting

Moderator: ICFA Board Member Gil Hurtado

Panelists:

Ellen Volmert, City Manager of La Palma
Jason Caudle, Assistant City Manager of Lancaster
Frank Mann, Account Executive at Climatec
John King, Manager, Southern California Edison

10:45-11:00 a.m.

Break

11:00-12:30

Session 2: Municipal Solar Installations

Moderator: ICFA Vice President Mario Gomez

Panelists:

Darrel Pyle, City Manager of Hanford
Sophie Akins, Partner, Best Best & Krieger
Michael Chapin, President, Connor Energy
Scott Schumacher, Project Developer, Borrego Solar
Gary Barsley, Manager, Southern California Edison

12:30-1:30 p.m.

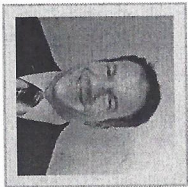
Lunchtime Keynote Address by Scott Murtishaw of the California Public Utilities Commission



Keynote Speaker

Scott Murtishaw,

California Public Utilities Commission



Scott Murtishaw is an advisor to President Peevey at the CPUC, where he has played a key role in shaping the CPUC's climate policy. His work has focused on the design of the cap and trade system, policies for large and small-scale renewables, and electric rate design. Prior to joining the CPUC, Scott was a researcher at the Lawrence Berkeley National Laboratory where he authored studies on a wide variety of energy and climate policy topics. He has also been a guest researcher at the International Energy Agency in Paris. He holds a BA in International Relations from Stanford University and a Masters in Public Policy from the Goldman School of Public Policy at UC Berkeley.

THANK YOU

to our board members:

Mike McCormick - Vermon

Mario Gomez - Huntington Park

Stephen Ajobiewe – Compton

Ricardo Pacheco - Baldwin Park

Edwin Hernandez - Lynwood

Sylvia Ballin - San Fernando

Gil Hurtado - South Gate

PANELISTS FOR SESSION 1

42

Ellen Volmert, City Manager of La Palma.



Ms. Volmert is the City Manager of La Palma, California. She brings a wealth of experience in strategic planning, community relations, capital project management, economic development, budgeting, and risk management – all factors that have come into play as La Palma considers its options in increasing sustainability.

Jason Caudle, Assistant City Manager of Lancaster.

Jason Caudle was appointed Deputy City Manager of the City of Lancaster in November 2008. During his tenure, Mr. Caudle has played an integral role in the development and implementation of several multi-scaled sustainable energy projects. He has overseen the formation of the Lancaster Power Authority (LPA) and the state-wide California Clean Energy Authority (CCEA). Working closely with City planners and solar developers, he continues to promote dynamic public-private partnerships on behalf of the City.



Frank Mann, Account Executive at Climatic Energy Services.



In his current role at Climatic, Frank is one of the leaders of the California Energy Services team. For the last 17 years, Frank has served as executive in charge of more than \$75 M in comprehensive energy conservation projects throughout the State. This has included energy savings performance contracts at cities, counties, higher education, K-12 and water/wastewater facilities. Since 1975, Climatic has been providing advanced building technologies that provide safer, more comfortable and more efficient building environments through innovative HVAC, Building Controls, lighting, energy management and ongoing service. Climatic provides these turnkey solutions for cities and public agencies to upgrade facilities while reducing costs.

John King, Manager, Southern California Edison.

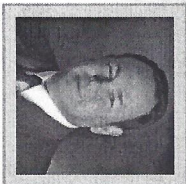
John King manages a group of account representatives who work with water, agriculture, health care, and K-12 educational customers across Southern California Edison's territory. John also leads special project efforts for the SCE Business Customer Division including San Onofre Nuclear Generating Station (SONGS), Chino Hills Transmission Undergrounding, and Street Light Issues and Acquisition.



PANELISTS FOR SESSION 2

Darrel Pyle, City Manager of Hanford.

Mr. Pyle has been a City Manager since 2005, first in the City of Tulare, an since 2012 at the City of Hanford, California, where he has been at the forefront of efforts to incorporate solar power into the city's energy portfolio. He brings his experience in this arena to our second panel discussion of the morning.



Sophie Akins, Partner, Best Best & Krieger.

Sophie Akins is a partner of Best Best & Krieger LLP and leader of the firm's Renewable Energy practice group, specializing primarily in solar and renewable energy projects, proceedings before the California Public Utilities Commission (CPUC) and public contract issues. From 2007-'09, Ms. Akins has worked on a little over 14% of the State's public agency solar projects.



Michael Chapin, President, Connor Energy.

Mr. Chapin is the President of Connor Energy. Since 1998, Mr. Chapin has been a municipal finance consultant providing municipal debt financing services to over 60 different California Agencies. Over the past 5 years, Mr. Chapin has continually worked developing energy finance programs, such as Property Assessed Clean Energy (PACE) Programs and specialized Solar PV Financing.



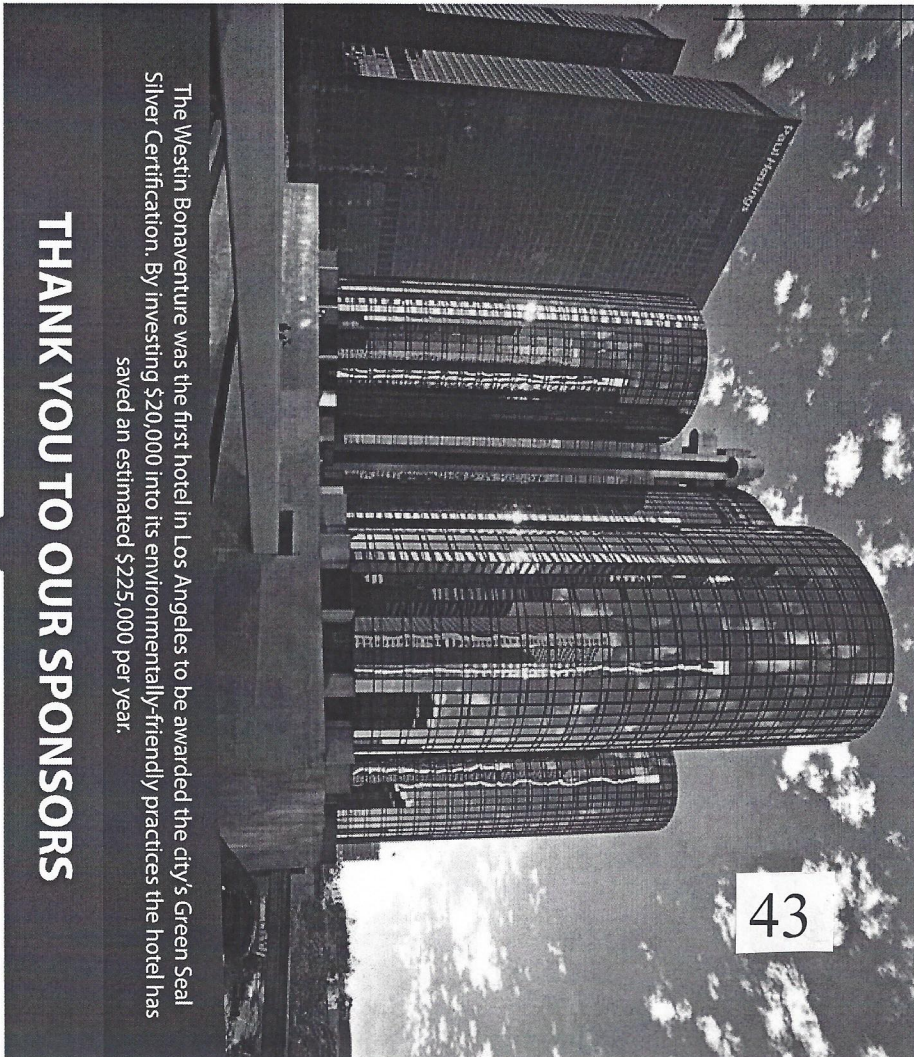
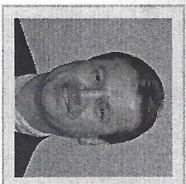
Scott Schumacher, Project Developer, Borrego Solar.

Mr. Schumacher is a Project Developer working out of Borrego Solar's headquarters in San Diego. His understanding of the various PV technologies equips him with the skills needed to help customers increase the efficiency and yield of their solar solutions.



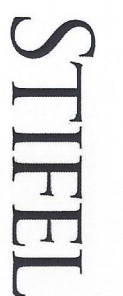
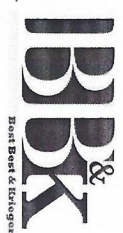
Gary Barsley, Manager, Southern California Edison.

Gary Barsley is Manager of Distributed Generation Programs at Southern California Edison, a group that includes administering the California Solar Initiative (CSI) solar rebate program for SCE's customers, as well as programs for customer wind and fuel cell energy projects, and battery/energy storage technologies.



The Westin Bonaventure was the first hotel in Los Angeles to be awarded the city's Green Seal Silver Certification. By investing \$20,000 into its environmentally-friendly practices the hotel has saved an estimated \$225,000 per year.

THANK YOU TO OUR SPONSORS



An EDISON INTERNATIONAL[®] Company



MUNICIPAL SOLAR EXPERTS.

INDEPENDENT CITIES FINANCE AUTHORITY
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2013

INDEPENDENT CITIES FINANCE AUTHORITY

Table of Contents

| | <u>Page</u> |
|--|-------------|
| Management's Discussion and Analysis | -- |
| Financial Statements | |
| Independent Auditor's Report | 1 |
| Balance Sheet | 2 |
| Statement of Revenues, Expenses and Changes to Net Assets | 3 |
| Statement of Cash Flows | 4 |
| Notes to Financial Statements | 5 |

ICFA

INDEPENDENT CITIES
FINANCE AUTHORITY

February 14, 2014

Honorable W. Michael McCormick, President
And Members of the Board of Directors
Independent Cities Finance Authority
Post Office Box 6740
Lancaster, California 93539-6740

Dear President McCormick and Members of the Board:

Within this section of the Independent Cities Finance Authority's (ICFA) Financial Report For The Year Ended June 30, 2013 management provides a narrative discussion and analysis of the entity for the year reported on.

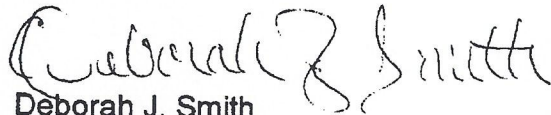
ICFA's net assets exceeded its liabilities by \$765,252 at June 30, 2013 versus \$720,446 at June 30, 2012 due to control on expenditures, even though for the first time \$25,000 was contributed to communities charities. Gross revenues declined by \$59,579, primarily because there was no big event as the Downey Community Hospital financing that occurred ended June 30, 2012. Permanent progress was achieved, however. Four new mobile home parks were financed through the Millennium group of companies, and subsequent to year end four more were added in conjunction with Augusta Communities, LLC.

Major components of assets and liabilities between years are as follows:

| ASSETS: | 2013 | 2012 | CHANGE |
|------------------------------|-------------|-------------|---------------|
| Cash and cash equivalents | \$520,344 | \$531,236 | (\$10,892) |
| Accrued interest receivable | 52,124 | 37,338 | 14,786 |
| Long-term loan (net) | 216,059 | 210,328 | 5,731 |
| LIABILITIES: | | | |
| Accounts Payable | 16,029 | 51,280 | 35,251 |
| Deferred Revenues | 10,746 | 10,872 | 126 |
| SIGNIFICANT INCOME: | | | |
| Program Fees | 456,459 | 516,038 | (59,579) |
| Investment Income | 21,311 | 30,989 | (9,678) |
| SIGNIFICANT EXPENSES: | | | |
| Management Fees | 200,000 | 200,000 | -0- |
| Advocacy | 82,705 | 78,333 | 4,372 |
| Community Outreach | 25,000 | -0- | 25,000 |
| Conferences | 16,921 | 5,688 | 11,233 |

We look forward to continued successful operations in 2013-14 and to becoming a considerable force in the public low and moderate income housing community.

Respectfully,

A handwritten signature in cursive script that reads "Deborah J. Smith". The signature is written in black ink and is positioned above the printed name and title.

Deborah J. Smith
Program Administrator

ROBERT EICHEL & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Independent Cities Finance Authority

We have audited the accompanying financial statements of the business type activities of the Independent Cities Finance Authority, as of and for the year ended June 30, 2013 which comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Independent Cities Finance Authority management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, of the Independent Cities Finance Authority, as of June 30, 2013, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required information. However, we did not audit the information and express no opinion on it.

Robert Eichle & Associates

Pasadena, California

February 14, 2014

650 SIERRA MADRE VILLA AVENUE
SUITE #202
PASADENA, CALIFORNIA 91107-2067
626 / 351-3800
FAX 626 / 351-3804
E-MAIL bobeichelcpa@aol.com

INDEPENDENT CITIES FINANCE AUTHORITY
BALANCE SHEET
June 30, 2013

ASSETS

| | |
|---|--------------------------|
| Cash and cash equivalents (Note 2) | \$ 520,344 |
| Receivables- | |
| Accounts | 3,500 |
| Accrued interest | 52,124 |
| Long term loan secured by subordinated trust deed , net of present value discount (Note 5) | <u>216,059</u> |
| Total assets | <u><u>\$ 792,027</u></u> |

LIABILITIES AND NET ASSETS

| | |
|----------------------------------|--------------------------|
| Accounts payable | \$ 16,029 |
| Deferred revenues (Note 3) | <u>10,746</u> |
| Total liabilities | 26,775 |
| Net Assets | <u>765,252</u> |
| Total liabilities and net assets | <u><u>\$ 792,027</u></u> |

The accompanying notes are an integral part of these financial statements

INDEPENDENT CITIES FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES TO NET ASSETS
Year ended June 30, 2013

| | | |
|--|----|---------|
| Program fees | \$ | 456,459 |
| Operating expenses | | |
| Management fees | | 200,000 |
| Public Relations | | 46,177 |
| Other Professional Services | | |
| Auditing | | 17,770 |
| Accounting | | 3,520 |
| Community Outreach | | 25,000 |
| Advocacy | | 82,705 |
| Legal | | 36,123 |
| Directors' fees | | 3,600 |
| Conferences | | 16,921 |
| Other: (a/c #5750 subscriptions \$1000 - a/c #5900 bank charges 147.83) | | 1,148 |
| | | 432,964 |
| Total operating expenses | | 432,964 |
| Net income from operations | | 23,495 |
| Investment income | | 21,311 |
| Net income for the period | | 44,806 |
| Net assets beginning of the year | | 720,446 |
| Net assets at the end of the year | \$ | 765,252 |

The accompanying notes are an integral part of these financial statements

INDEPENDENT CITIES FINANCE AUTHORITY
STATEMENT OF CASH FLOWS
Year ended June 30, 2013

Cash flows from operating activities

| | | |
|--|----|-----------------------|
| Cash received from program fees | \$ | 452,833 |
| Cash paid to suppliers of services | | 464,305 |
| Cash deficit from operating activities | | <u>(11,472)</u> |
| Interest income | | 21,311 |
| Less non-cash amortization of subordinated loan | | <u>20,731</u> |
| Net cash used by operating activities | | (10,892) |
| Cash and cash equivalents beginning of the year | | <u>531,236</u> |
| Cash and cash equivalents end of the year: | \$ | <u><u>520,344</u></u> |
| Cash and cash equivalents defined: | | |
| As reported on the balance sheet, short term investments readily convertible to cash and cash itself | \$ | <u><u>520,344</u></u> |

The accompanying notes are an integral part of these financial statements

INDEPENDENT CITIES FINANCE AUTHORITY
Notes to the Financial Statements
June 30, 2013

(1) Summary of Significant Accounting Policies

(a) The Reporting Entity

The Independent Cities Finance Authority (Authority) is a joint exercise of Powers authority originally set up in 1988 to provide lease financing of capital improvements by member cities. As the objectives of the Authority changed from facilities leasing for cities to affordable housing and other financing activities the original joint powers agreement was modified to provide for associate membership to cities in which projects were located. By 2007 the Authority was completely out of the equipment leasing business, as with having completed the 'Fresh Rate' program.

In fiscal year ended June 30, 2003, the Authority changed its focus to begin working with non-profit entities to provide affordable housing through mobile home parks. The principal strategy was to provide conduit financing for affordable housing mobile home projects. This strategy would provide for affordable housing while not obligating the Authority to the liabilities, servicing of substantial lease obligations nor payment of interest and principal on the bonded debt. In 2011/2012 the Authority expanded its activities to a community hospital, a charter school and bridge financing for a waste water treatment facility. There have been discussions about housing and down payment assistance but no action has been taken to date.

(b) Basis of Accounting

The Authority is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of the enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The Authority utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

INDEPENDENT CITIES FINANCE AUTHORITY
Notes to the Financial Statements
(Continued)

(1) Summary of Significant Accounting policies, (Continued)

(b) Basis of Accounting

The Authority applies all applicable GASB pronouncements in accounting and reporting for proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's) of the Committee on Accounting Procedures of the American Institute of Certified Public Accountants.

(c) Classifications of Revenues and Expenses

Operating revenues consist of fees relating to the origination and continuance of the bond issues set up for the purpose of purchasing and equipping the mobile home parks by the non-profit agencies and more recently, other activities. In 2011 a fee of \$75,000 was received to offset costs involved in the reopening of the Downey Regional Medical center. The financing transaction was completed in February, 2012.

Expenses consist primarily of management, professional fees and more recently, marketing. Due to the inability of cities to obtain financing for low and moderate income housing during the recent economic slowdown, and ICFA's ability to do so, ICFA management entered into contracts for representation in both Sacramento and Los Angeles to assist in interfacing with governing bodies. New contracts were entered into for the current year. New for year ended June 30, 2013 was Community Outreach of \$25,000.

(d) Cash and Cash Equivalents

Cash equivalents are defined as cash and short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 month or less.

INDEPENDENT CITIES FINANCE AUTHORITY
Notes to the Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies (Continued)

(e) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(f) Income Taxes

The Authority is not subject to income taxes pursuant to Section 115 of the Internal Revenue Code and the corresponding section of the California Revenue and Taxation Code.

(g) Name Changed

The Authority's name was changed from the Independent Cities Lease Finance Authority to the Independent Cities Finance Authority executed on May 21, 2008 to better reflect the nature of the Authority's operations. For the sake of clarity the changed name was used for audited financial presentations beginning in 2006.

(2) Cash and Cash Equivalents

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Balance sheet:

| | |
|---|------------------|
| Cash in bank: | \$278,236 |
| Investments with Local Agencies Investment Fund (LAIF), an agency of the State of California: | <u>242,108</u> |
| | <u>\$520,344</u> |

LAIF funds are readily available, interest rates are variable and credit risk is not classified. Bank deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000.

INDEPENDENT CITIES FINANCE AUTHORITY
Notes to the Financial Statements
(Continued)

(3) Deferred Revenues

Deferred revenues relate to timing issues on payments from the non-profit agency, Caritas Affordable Housing, Inc.

(4) Conduit Debt Issued and Related Mobile Home Parks

As noted in Note 1 beginning in 2003 a program was initiated for the issuance of conduit debt for the payment of purchase cost and development of locations to be used as low and moderate income mobile home parks. The Authority became the issuer, as previously mentioned, and had no financial or managerial responsibilities. In 2012 conduit debt was allocated to purchase and equip a regional hospital and for construction of a charter school.

Beginning in 2003 and continuing through 2012 the Authority entered into agreements with Millennium Housing Corporation and its affiliates, Millennium Housing of California and Coach of San Diego, Inc. to finance its acquisition of mobile home parks throughout California as follows:

A) Westlake Mobile Home Park

Location: Fresno, California

Issuance of \$15,180,000 of Revenue Bonds in 2003, refunded and refinanced at \$16,700,000 in June 2007.

B) El Granada Mobile Home Park, now called Pillar Lodge

Location: Moss Beach, California

Issuance of \$28,585,000 of Revenue Bonds

C) Marineland Mobile Home Park

Location: Hermosa Beach, California

Issuance of \$7,270,000 of Revenue Bonds

D) Hacienda Valley Mobile Estates

Location: Morgan Hill, California

Issuance of \$12,235,000 of Revenue Bonds

E) San Juan Mobile Estates

Location: San Juan Capistrano, California

Issuance of \$39,910,000 of Revenue Bonds

F) Santa Rosa Leisure Mobile Home Park

Location: Santa Rosa, California

Issuance of \$10,270,000 of Revenue Bonds

G) Lamplighter Salinas Mobile Home Park

Location: Salinas, California

Issuance of \$22,925,000 of Revenue Bonds

INDEPENDENT CITIES FINANCE AUTHORITY
Notes to the Financial Statements
(Continued)

(4) Conduit Debt Issued and Related Mobile Home Parks (Continued)

H) Castle Mobile Estates

Location: Capitola, California

Issuance of \$11,700,000 of Revenue Bonds

I) Rancho del Sol Mobile Home Park

Location at Yucaipa, California

Issuance of \$8,500,000 Revenue Bonds

J) Sahara Mobile Home Park

Location: Palm Springs, California

Issuance of \$16,000,000 of Revenue Bonds

k) Rancho Feliz Mobile Home Park

Location: Rohnert Park, California

l) Las Casitas de Sonoma

Location: Rohnert Park, California

Combined: \$25,000,000 of Revenue Bonds issued, both Rohnert Park locations

m) Millbrook Mobile Home Park

Location: Fresno, California

Issuance of \$7,500,000 of Revenue Bonds

n) Rancho Vallecitos Mobile Home Park

Location: San Marcos, California

Issuance of \$28,000,000 of Revenue Bonds

Caritas Affordable Housing Mobile Home Park Revenue Bonds

On October 2, 2003, the Authority issued \$29,750,000 Series 2003A, \$6,350,000 Series Sub 2003B \$3,835,000 Series 2003B to fund loans to Caritas Affordable Housing, Inc. to finance and refinance the acquisition and improvement of five mobile home parks. The Authority is not liable for repayment in the event of default. Accordingly, the bonds are not recorded as a liability of the Authority in the accompanying financial statements. In August, 2005 an additional series of bonds were issued, Series 2005A, \$22,025,000, 2nd 2005CT \$1,245,000, 2nd 2005 C \$5,370,000.

INDEPENDENT CITIES FINANCE AUTHORITY
Notes to the Financial Statements
(Continued)

(4) Conduit Debt Issued and Related Mobile Home Parks (Continued)

Projects financed through "Caritas" are as follows:

2003

Friendly Village Mobile Home Park, Lancaster, CA, Los Angeles County
Hacienda Mobile Estates, Lancaster, CA, Los Angeles County
Rancho Brea Mobile Home Estates, Brea, CA, Orange County
Estrella del Oro, Vista, CA, San Diego County
Vista Manor Mobile Home Park, Vista, CA, San Diego County

2005

Valley Village Mobile Home Park, Rohnert Park, CA, Sonoma County

New to ICFA in 2013 was Augusta Communities, LLC

Financing of four mobile home parks, two in Montclair, San Bernardino County, California, two in Yucaipa, San Bernardino County, California. Issuance of \$20,335,000 conduit revenue bonds.

Other financing activities in addition to mobile home parks:

- A. Downey Regional Medical Center Hospital, Inc.
Location: Downey, California
Issuance of not to exceed \$30,000,000 of Hospital Revenue Bonds
- B. Planada Community Service District
Location: Planada, California (Merced County)
Issuance of \$3,200,000 note bridge loan in advance of U.S. Department of Agricultural Financing
- C. Alliance College Ready Public Schools
Location: Los Angeles, California
Issuance of not to exceed \$20,000,000 Charter Schools Revenue Bonds

INDEPENDENT CITIES FINANCE AUTHORITY
Notes to the Financial Statements
(Continued)

(4) Conduit Debt Issued and Related Mobile Home Parks (Continued)

Outstanding conduit debt as of June 30, 2013:

Mobile Home Parks

| | |
|------------------------------------|----------------------|
| ➤ Millennium group of companies | \$203,522,437 |
| ➤ Caritas Affordable Housing, Inc. | \$ 63,175,000 |
| ➤ Augusta Communities, LLC | <u>\$ 20,335,000</u> |
| | \$287,032,437 |

Other:

| | |
|--|---------------------|
| ➤ Downey Regional Medical Center | \$ 20,370,000 |
| ➤ Alliance Charter Schools | \$ 15,012,975 |
| ➤ Planada Community Service District Bridge Loan | <u>\$ 3,175,000</u> |

\$325,590,412

(5) Subordinated secured note to Millennium Housing Corporation, effective July 8, 2010

ICFA loaned to Millennium Housing Corporation \$250,000, interest at 6 percent, secured by a Trust deed subordinated to existing bonded indebtedness to assist in the cost of issuance of the bonds of the Lamplighter Salinas Mobile Home Park. Repayment of interest commences July 15, 2014 with full repayment July 15, 2020.

The note has limited recourse and considering its subordinated position and its payment schedule, it has been discounted at prime rate back to 2010 with annual amortization. Because it was not discounted in year ended June 30, 2011, the transaction has been recorded in 2012 as a restatement of beginning net assets less year ended June 30, 2011 amortization.

(6) Effective November 1, 2013, Augusta Communities, LLC borrowed \$90,000.00 from the authority subject to a residual receipts Promissory Note, interest at 2 per cent per annum subject to partial assignment of gross receipts of a mobile home park in Yucaipa, California.

(7) Under the provisions of an agreement to issue not to exceed \$30,000,000 of conduit revenue Bonds to reorganize the Downey Regional Medical Center, the Authority was paid \$75,000 to help defray the costs. The plan of Reorganization was approved by the U.S. Bankruptcy Court and the securities were issued early in 2012 at a principal amount considerably less than the \$30,000,000 authorized. Effective October 1, 2013 the bonds were redeemed at par. Outstanding balance at that time was \$20,370,000.