NOTICE OF NO OBJECTION TO ROPS

Friday, February 7, 2014

Town of Los Gatos
110 E. Main Street P.O. Box 949
Los Gatos, CA 95030

Town of Los Gatos Oversight Board
110 E. Main Street P.O. Box 949
Los Gatos, CA 95030

Department of Finance
915 L Street
Sacramento, CA 95814

ROPS Period: ROPS 14-15A (July 1 – December 31, 2014)

Successor Agency: Town of Los Gatos

To the Successor Agency, Oversight Board, and Department of Finance:

Pursuant to Health and Safety Code section 34182.5, our office has reviewed the Recognized Obligation Payment Schedule (ROPS) submitted by the above-noted successor agency for the above-noted period. After reviewing all items and funding sources, the Santa Clara County Auditor-Controller does not object to any items or funding sources on the submitted ROPS.

Please note that items and/or funding sources not questioned during this review are subject to subsequent review if they are included on a future ROPS. We also reserve the right to object to an item and/or funding source (including, but not limited to, the use of fund balance) on a future ROPS, even if no objection was made on a preceding ROPS.
Notice of No Objection to ROPS
February 7, 2014

Additionally, pursuant to Health and Safety Code section 34186(a), the County Auditor-Controller may audit the prior period payments and the prior period estimated versus actual payments reported on the ROPS. This audit is ongoing, and this letter does not apply to the true-up of prior period payments.

Sincerely yours,

Irene Lui, C.P.A.
Controller-Treasurer
County of Santa Clara

Attachment: ROPS 14-15A as submitted to the County Auditor-Controller by Successor Agency
Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary
Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Los Gatos
Name of County: Santa Clara

<table>
<thead>
<tr>
<th>Current Period Requested Funding for Outstanding Debt or Obligation</th>
<th>Six-Month Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A  Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</td>
<td>$ 42,752</td>
</tr>
<tr>
<td>B  Sources (B+C+D):</td>
<td>42,618</td>
</tr>
<tr>
<td>C  Bond Proceeds Funding (ROPS Detail)</td>
<td>-</td>
</tr>
<tr>
<td>D  Reserve Balance Funding (ROPS Detail)</td>
<td>134</td>
</tr>
<tr>
<td>E  Other Funding (ROPS Detail)</td>
<td>$ 1,559,080</td>
</tr>
<tr>
<td>F  Enforceable Obligations Funded with RPTTF Funding (F+G):</td>
<td>1,473,939</td>
</tr>
<tr>
<td>G  Non-Administrative Costs (ROPS Detail)</td>
<td>85,141</td>
</tr>
<tr>
<td>H  Administrative Costs (ROPS Detail)</td>
<td>$ 1,601,832</td>
</tr>
<tr>
<td>I  Current Period Enforceable Obligations (A+E):</td>
<td>$ 1,518,783</td>
</tr>
</tbody>
</table>

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

| I  Enforceable Obligations funded with RPTTF (E): | 1,559,080 |
| J  Less Prior Period Adjustment (Report of Prior Period Adjustments Column S) | (40,297) |
| K  Adjusted Current Period RPTTF Requested Funding (I-J) | $ 1,518,783 |

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

| L  Enforceable Obligations funded with RPTTF (E): | 1,559,080 |
| M  Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA) | - |
| N  Adjusted Current Period RPTTF Requested Funding (L-M) | 1,559,080 |

Certification of Oversight Board Chairman:
Pursuant to Section 34177(m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

/s/ __________________________
Signature
Date
<table>
<thead>
<tr>
<th>Item #</th>
<th>Project Name / Debt Obligation</th>
<th>Obligation Type</th>
<th>Contract/Agreement Execution Date</th>
<th>Contract/Agreement Termination Date</th>
<th>Payee</th>
<th>Description/Project Scope</th>
<th>Project Area</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Retired</th>
<th>Bond Proceeds</th>
<th>Reserve Balance</th>
<th>Other Funds</th>
<th>Non-Admin</th>
<th>Admin</th>
<th>Six-Month Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2002 COP Reimbursement Bonds Issued On or Before 12/31/10</td>
<td>0</td>
<td>7/1/2002</td>
<td>1/1/2031</td>
<td>The BNY Mellon Trust Co. N.A.</td>
<td>Reimbursement Agreement</td>
<td>Central Los Gatos</td>
<td>12,109,746</td>
<td>N</td>
<td>42,618</td>
<td>30,833,890</td>
<td>$488,726</td>
<td>$488,726</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2010 COP Reimbursement Bonds Issued On or Before 12/31/10</td>
<td>0</td>
<td>9/1/2010</td>
<td>1/1/2028</td>
<td>The BNY Mellon Trust Co. N.A.</td>
<td>Reimbursement Agreement</td>
<td>Central Los Gatos</td>
<td>18,543,451</td>
<td>N</td>
<td>982,013</td>
<td>85,141</td>
<td>85,141</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>2002/2010 COP Bank Services Fees</td>
<td>0</td>
<td>9/1/2002</td>
<td>1/1/2031</td>
<td>The BNY Mellon Trust Co. N.A.</td>
<td>Bank Services Charges</td>
<td>Central Los Gatos</td>
<td>52,800</td>
<td>N</td>
<td>3,200</td>
<td>3,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>1992 COPS Reimbursement Bonds Issued On or Before 12/31/10</td>
<td>0</td>
<td>8/1/1992</td>
<td>8/1/2012</td>
<td>US Bank</td>
<td>Reimbursement Agreement</td>
<td>Central Los Gatos</td>
<td>85,141</td>
<td>N</td>
<td>85,141</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>RDA Reserve for COP Payments Bonds Issued On or Before 12/31/10</td>
<td>0</td>
<td>9/1/2010</td>
<td>1/1/2028</td>
<td>The BNY Mellon Trust Co. N.A.</td>
<td>Reserve Required for COP Payments</td>
<td>Central Los Gatos</td>
<td>52,800</td>
<td>N</td>
<td>3,200</td>
<td>3,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>RDA Reserve for COP Payments - Note 1 Bonds Issued On or Before 12/31/10</td>
<td>0</td>
<td>9/1/2002</td>
<td>1/1/2031</td>
<td>The BNY Mellon Trust Co. N.A.</td>
<td>Reserve Required Per bond indenture</td>
<td>Central Los Gatos</td>
<td>52,800</td>
<td>N</td>
<td>3,200</td>
<td>3,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>2002 COP Arbitrage Payments Fees</td>
<td>0</td>
<td>7/1/2002</td>
<td>1/1/2031</td>
<td>The BNY Mellon Trust Co. N.A.</td>
<td>Arbitrage Payment</td>
<td>Central Los Gatos</td>
<td>52,800</td>
<td>N</td>
<td>3,200</td>
<td>3,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>2002 COP Const Account Improvement/Infrastructure</td>
<td>0</td>
<td>7/1/2002</td>
<td>1/1/2031</td>
<td>Town of Los Gatos</td>
<td>Balance for Almond Grove Reconstruction Project</td>
<td>Central Los Gatos</td>
<td>42,717</td>
<td>N</td>
<td>42,188</td>
<td>35</td>
<td>35</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>9</td>
<td>Bank Fees Fees</td>
<td>0</td>
<td>7/1/2014</td>
<td>12/31/2014</td>
<td>The BNY Mellon Trust Co. N.A.</td>
<td>Bank Fees</td>
<td>Central Los Gatos</td>
<td>35</td>
<td>N</td>
<td>35</td>
<td>35</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail**

*July 1, 2014 through December 31, 2014*

(Report Amounts in Whole Dollars)
## Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
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</thead>
<tbody>
<tr>
<td><strong>Fund Sources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>Reserve Balance</td>
<td>Other</td>
<td>RPTTF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds Issued on or before 12/31/10</td>
<td>Bonds Issued on or after 01/01/11</td>
<td>Prior ROPS period balances and DDR retained</td>
<td>Prior ROPS RPTTF distributed as reserve for next bond payment</td>
<td>Rent, Grants, Interest, Etc.</td>
<td>Non-Admin and Admin</td>
<td>Comments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cash Balance Information by ROPS Period

#### ROPS 13-14A Actuals (07/01/13 - 12/31/13)

1. **Beginning Available Cash Balance (Actual 07/01/13)**
   - Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)
   - Beginning Available Cash Balance (Actual 07/01/13) = 2,005,931
   - Reserve Balance = 254,136
   - RPTTF = 28,522

2. **Revenue/Income (Actual 12/31/13)**
   - Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013
   - Revenue/Income (Actual 12/31/13) = 84
   - 2002 COP = 1,583,039

3. **Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13)**
   - Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs
   - Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) = 254,136
   - Item E: Includes 1992 COP Reserve Payment to County

4. **Retention of Available Cash Balance (Actual 12/31/13)**
   - Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A
   - Retention of Available Cash Balance (Actual 12/31/13) = 254,136
   - 35

5. **ROPS 13-14A RPTTF Prior Period Adjustment**
   - Note that the RPTTF amount should tie to column S in the Report of PPAs
   - ROPS 13-14A RPTTF Prior Period Adjustment = 28,522

6. **Ending Actual Available Cash Balance**
   - C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)
   - Ending Actual Available Cash Balance = 49
   - 28,522

#### ROPS 13-14B Estimate (01/01/14 - 06/30/14)

7. **Beginning Available Cash Balance (Actual 01/01/14)**
   - (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = S + 6)
   - Beginning Available Cash Balance (Actual 01/01/14) = 2,005,931
   - 84
   - 68,819

8. **Revenue/Income (Estimate 06/30/14)**
   - Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014
   - Revenue/Income (Estimate 06/30/14) = 85
   - Interest 2002 COP = 548,280

9. **Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)**
   - Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14) = 35
   - 576,802

10. **Retention of Available Cash Balance (Estimate 06/30/14)**
    - Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B
    - Retention of Available Cash Balance (Estimate 06/30/14) = 1,963,264

11. **Ending Estimated Available Cash Balance (7 + 8 - 9 -10)**
    - Ending Estimated Available Cash Balance (7 + 8 - 9 -10) = 99
    - 40,297
ROPS 13-14A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 13-14A (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 13-14A (July through December 2013) period will be offset by the SA’s self-reported ROPS 13-14A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit.

### Table: Non-RPTTF Expenditures

<table>
<thead>
<tr>
<th>Date</th>
<th>Non-RPTTF Expenditures</th>
<th>RPTTF Expenditures</th>
<th>RPTTF Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin</td>
<td>Actual</td>
<td>Authorized</td>
<td>Difference</td>
</tr>
<tr>
<td>Admin CAC</td>
<td>Actual</td>
<td>Authorized</td>
<td>Difference</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>Actual</td>
<td>Authorized</td>
<td>Difference</td>
</tr>
<tr>
<td>CAC</td>
<td>Actual</td>
<td>Authorized</td>
<td>Difference</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Example Row:**

- Date: 1992 COPS
- Non-RPTTF Expenditures: 6
- RPTTF Expenditures: 7
- Admin: 1992 COPS
- Admin CAC: 1992 COPS
- Bond Proceeds: 1992 COPS
- CAC: 1992 COPS

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**Additional Notes:**
- Non-RPTTF Expenditures: 6
- RPTTF Expenditures: 7
- Admin: 1992 COPS
- Admin CAC: 1992 COPS
- Bond Proceeds: 1992 COPS
- CAC: 1992 COPS

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**Total Adjustments:**
- Net Non-RPTTF Adjustments: 484,426
- Net RPTTF Adjustments: 970,413
- Net Total Adjustments: 1,454,839

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**CAG Comments:**
- CAG Comments: -
<table>
<thead>
<tr>
<th>Item #</th>
<th>Notes/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Beginning with ROPS 15-16A the Successor Agency will include monies to begin building this reserve.</td>
</tr>
</tbody>
</table>