

**Continuing Disclosure**  
**\$49,945,000 2006 Tax Allocation Refunding Bonds, Series A and**  
**\$14,775,000 of Taxable Tax Allocation Refunding Bonds Series B**  
**Redevelopment Agency of the City of Santa Monica**  
**Earthquake Recovery Redevelopment Bonds**

By operation of Part 1.85 of the California Health and Safety Code, the City of Santa Monica has designated itself as the “successor agency” to the Redevelopment Agency of the City of Santa Monica, which is no longer an active public body. Acting in its capacity as “successor agency” under the provisions of Part 1.85, the City has named itself “the Santa Monica Redevelopment Successor Agency”.

Attached please find the Annual Report of the Santa Monica Redevelopment Successor Agency (“the Successor Agency”). This Annual Report is submitted pursuant to a Continuing Disclosure Certificate (copy attached) executed and delivered on April 1, 2006, by the City in connection with the issuance of \$49,945,000 2006 Tax Allocation Refunding Bonds, Series A and \$14,775,000 of Taxable Tax Allocation Refunding Bonds Series B Redevelopment Agency of the City of Santa Monica Earthquake Recovery Redevelopment Bonds, (“Bonds”) for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

In addition to the information provided in this continuing disclosure, the Successor Agency’s Annual Report is the attached Redevelopment Agency of the City of Santa Monica Annual Financial Statements for the year ended June 30, 2011 and schedules as noted below. These documents contain or incorporate by reference the following:

- a. Audited financial statements prepared in accordance with generally accepted accounting principles. (See attached Agency financial statements).
- b. Information with respect to the Bonds:
  - i. Principal amount of Bonds outstanding at June 30, 2011 is \$49,945,000 and \$4,005,000 for the Series A and Series B Bonds respectively.
  - ii. No Reserve Fund is funded at June 30, 2011. A surety bond issued by Financial Guaranty Insurance Company satisfies the Reserve Requirement.
  - iii. Description of issuance by the Agency of any debt payable from or secured by a pledge of Tax Revenues in the Project Area for the most recently completed fiscal year (see attached schedule).
  - iv. Assessed value of property in the project area for the most recently completed fiscal year (see attached schedule).
  - v. Ten largest local secured property tax payers in the project area (see attached schedule).
  - vi. Coverage ratio provided by Tax Revenues with respect to debt service on the 2006 Bonds and any Parity Debt for the most recently completed fiscal year (see attached schedule).
  - vii. Description of the total tax levy, total receipts and collection rate for the most recently completed fiscal year (see attached).
  - viii. During the fiscal year ended June 30, 2011, a payment of \$4,299,520 was made by the Agency of the type described in “RISK FACTORS – State Budget and ERAF Shift.”
  - ix. Information on (A) aggregate appeals pending and resolved in the most recently completed fiscal year in the Project Area and (B) appeals pending and resolved by top 10 taxpayers in the most recently completed fiscal year in the Project Area (see attached schedule).