

744

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Successor Agency to the Redevelopment Agency

SUBMITTAL DATE:
June 5, 2014

SUBJECT: Refunding of Outstanding Bonds of the Dissolved Redevelopment Agency, All Districts, [\$275,000] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Successor Agency Resolution No. 2014-006 authorizing the issuance of refunding tax allocation housing bonds to refinance the 2004 Series A Housing Bonds,
2. Direct staff to submit this item to the Oversight Board for approval.

BACKGROUND:

Summary

(commences on next page)

Rohini Dasika
Rohini Dasika
Senior Management Analyst

FORM APPROVED COUNTY COUNSEL
BY: *Alex Gann* 6/4/14
DALE A. GARDNER Departmental Concurrence DATE

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ N/A	\$ 275,0000	\$ 275,000	\$ N/A	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	
SOURCE OF FUNDS: Bond Proceeds				Budget Adjustment:	No
				For Fiscal Year:	14/15

C.E.O. RECOMMENDATION:

APPROVE

BY: *Alex Gann*
Alex Gann

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 4-1, 9/24/13

District: All

Agenda Number:

4-1

BACKGROUND:
Summary (continued)

On September 24, 2013, the Board of Supervisors approved in principle the initiation of a County Redevelopment Bond Refunding Program (Agenda Item 4-1). On February 11, 2014, the Board of Supervisors, via Agenda Item 4-1, executed the Refunding Program Agreement and approved Successor Agency Resolution No. 2014-003, requesting direction to undertake proceedings for the refunding of outstanding bonds of the former Redevelopment Agency for the County of Riverside and providing for other matters relating thereto. On June 3, 2014 the Board approved the issuance of three series of project area refinancings.

The Agency's \$38,225,000 2004 Series A Housing Bonds will reach their ten (10) year call date and are callable on October 1, 2014. The proximity to the call date makes the bond issue an attractive refunding candidate. The Successor Agency wishes to achieve debt service savings that will accrue to the benefit of the County, and other applicable taxing entities.

The bonds will be issued by the County's Public Financing Authority as have prior Redevelopment Agency bonds. The term of the existing bonds will not be extended. The refunding bonds produce savings well in excess of the Riverside County Debt Advisory Committee's (DAC) present value savings target of 3%. The issuance of the refunding bonds was approved at the DAC meeting on June 12, 2014.

The anticipated amount of the proposed bond issues, savings percentage, and savings amounts are shown in the table below.

2014 Housing Bond Refinancing Summary

Size	\$36,010,000
PV Savings	\$2,110,187
PV Savings As %	5.78%
Avg. Savings	\$169,0006
Total Savings	\$3,893,250

These refunding bonds will be issued in October 2014. Staff is bringing forward this request for approval from the Successor Agency, and subsequently the Oversight Board, at this time due to the requirements for review by Department of Finance "DOF" as required by AB 1484. The AB 1484 review process requires a 60 day review period by the DOF *after* Successor Agency and Oversight Board approval. The final disclosure documents of the proposed bond issue will be brought back to the Successor Agency after DOF has approved the legal documents and the preliminary financial analysis. The Board package includes our independent financial advisor's report as required by the DOF.

Impact on Citizens and Businesses

This item will be beneficial for the citizens of Riverside County due to the surplus tax revenue that will be derived from the refinancing at lower rates. Taxing entities will share the surplus property taxes from the project areas which will be distributed to the County, cities, schools, and special districts in Riverside County.

The savings in debt service payments that would otherwise be paid to bondholders will be distributed to taxing entities including the County General Fund (21%), County Fire (6.4%), and County Library (2.3%), K-12 school districts and community college districts (approximately 60% combined), and the remainder to cities and special districts.

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RESOLUTION NO. 2014-006

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE APPROVING THE ISSUANCE OF HOUSING REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE DISSOLVED REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, APPROVING THE EXECUTION AND DELIVERY OF A FOURTH SUPPLEMENT TO INDENTURE OF TRUST RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Redevelopment Agency for the County of Riverside (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency to the Redevelopment Agency for the County of Riverside (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its Redevelopment Agency for the County of Riverside 2004 Tax Allocation Housing Bonds, Series A (the "Prior Bonds") in the initial aggregate principal amount of \$38,225,000 for the purpose of financing low- and moderate-income housing within the County of Riverside;

FORM APPROVED COUNTY COUNSEL

BY: *Dale A. Gardner* 6/14/14
DALE A. GARDNER DATE

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WHEREAS, the Prior Bonds were issued pursuant to an Indenture of Trust dated as of December 1, 2004 (as heretofore amended and supplemented, the "Original Indenture"), between the Former Agency and The Bank of New York Trust Company, N.A., as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee");

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its 2014 Tax Allocation Housing Refunding Bonds, Series A (the "Refunding Bonds"), the Successor Agency has caused its financial advisor, C.M. de Crinis & Co., Inc. (the "Financial Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the Prior Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Successor Agency desires at this time to approve the issuance of the Refunding Bonds and to approve the

1 form of and authorize the execution and delivery of the Fifth
2 Supplement to Indenture of Trust, by and between the Successor
3 Agency and the Trustee, providing for the issuance of the
4 Refunding Bonds (the "Fifth Supplement" and, together with the
5 Original Indenture and the Fourth Supplement, as defined below,
6 the "Indenture") and the Irrevocable Refunding Instructions to
7 be delivered to The Bank of New York Mellon Trust Company, N.A.,
8 as trustee for the Prior Bonds, to be dated as of the date of
9 the issuance and delivery of the Refunding Bonds (the "Refunding
10 Instructions");

11
12 **WHEREAS**, in order to increase the feasibility of refunding
13 the Prior Bonds and other outstanding bonds of the Former
14 Agency, which will potentially reduce the amount of property tax
15 revenues required to pay debt service on the Prior Bonds and
16 other outstanding bonds of the Former Agency thereby increasing
17 the amount of property tax revenues available to the taxing
18 entities, the Successor Agency has determined that it is
19 necessary to amend the definition of the term "Qualified Reserve
20 Account Credit Instrument" set forth in the Original Indenture
21 and in the Indenture of Trust dated as of December 1, 2004
22 relating to the Former Agency's Redevelopment Agency for the
23 County of Riverside 2004 Taxable Tax Allocation Housing Bonds,
24 Series A-T (as heretofore amended and supplemented, the
25 "Original Taxable Indenture"), between the Former Agency and The
26 Bank of New York Trust Company, N.A., as succeeded by The Bank
27 of New York Mellon Trust Company, N.A., as trustee (the "Taxable
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1 Bonds Trustee"), pursuant to a Fourth Supplement to Indenture of
2 Trust relating to the Original Indenture (the "Fourth
3 Supplement") by and between the Successor Agency and the
4 Trustee, and a Third Supplement to Indenture of Trust relating
5 to the Original Taxable Indenture (the "Third Taxable
6 Supplement") by and between the Successor Agency and the Taxable
7 Bonds Trustee;
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9
10 **WHEREAS**, the Successor Agency desires to approve the forms
11 of and authorize the execution and delivery of the Fourth
12 Supplement and the Third Taxable Supplement;

13
14 **WHEREAS**, pursuant to Section 34179, an oversight board (the
15 "Oversight Board") has been established for the Successor
16 Agency;

17
18 **WHEREAS**, the Successor Agency is now requesting that the
19 Oversight Board (i) direct the Successor Agency to undertake the
20 refunding proceedings and approve the issuance of the Refunding
21 Bonds pursuant to this Resolution and the Fifth Supplement and
22 (ii) approve the execution and delivery of the Fourth Supplement
23 and the Third Taxable Supplement;

24
25 **WHEREAS**, the Successor Agency further requests that the
26 Oversight Board make certain determinations described below on
27 which the Successor Agency will rely in undertaking the
28 refunding proceedings and the issuance of the Refunding Bonds;

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WHEREAS, the Successor Agency has determined to sell the Refunding Bonds to Citigroup Global Markets Inc. (in such capacity, together with any other underwriter selected by the Authorized Officers to serve as a co-manager, the "Original Purchaser") pursuant to the terms of the Bond Purchase Agreement (the "Purchase Agreement") to be entered into by the Successor Agency and the Original Purchaser;

WHEREAS, following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency and upon submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its Disclosure Counsel, the Financial Advisor and the Fiscal Consultant to the Successor Agency, cause to be prepared a form of Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Original Purchaser, as underwriter of the Refunding Bonds, to persons and institutions interested in purchasing the Refunding Bonds;

NOW, THEREFORE, the Successor Agency to the Redevelopment Agency for the County of Riverside **RESOLVES** as follows:

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1. Determination of Savings. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to provide funds to refund and defease the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Successor Agency, which Debt Service Savings Analysis is hereby approved.

2. Approval of Issuance of the Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Law and the Refunding Law in the aggregate principal amount of not to exceed \$45,000,000, provided that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery.

3. Approval of Fifth Supplement. The Successor Agency hereby approves the Fifth Supplement prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. Each of the Chief Executive Officer or the Deputy Chief Executive Officer of the County of Riverside, on behalf of the Successor Agency (each, an "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the Secretary of the Successor Agency, is hereby authorized and directed to attest to, the Fifth Supplement for and in the name and on behalf of the Successor

1 Agency, in substantially the form on file with the Secretary of
2 the Successor Agency, with such changes therein, deletions
3 therefrom and additions thereto as the Authorized Officer
4 executing the same shall approve, such approval to be
5 conclusively evidenced by the execution and delivery of the
6 Fifth supplement. The Successor Agency hereby authorizes the
7 delivery and performance of the Fifth Supplement and the
8 performance of the Indenture.
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11 4. Approval of Fourth Supplement and Third Taxable
12 Supplement. The Successor Agency hereby further approves the
13 Fourth Supplement and the Third Taxable Supplement. Each
14 Authorized Officer, is hereby authorized and directed to execute
15 and deliver, and the Secretary of the Successor Agency, is
16 hereby authorized and directed to attest to, the Fourth
17 Supplement and the Third Taxable Supplement for and in the name
18 and on behalf of the Successor Agency, in substantially the
19 forms on file with the Secretary of the Successor Agency, with
20 such changes therein, deletions therefrom and additions thereto
21 as the Authorized Officer executing the same shall approve, such
22 approval to be conclusively evidenced by the execution and
23 delivery of the Fourth Supplement and the Third Taxable
24 Supplement. The Successor Agency hereby authorizes the delivery
25 and performance of the Fourth Supplement and the Third Taxable
26 Supplement.
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5. Approval of Refunding Instructions. The form of the Refunding Instructions on file with the Secretary are hereby approved and the Authorized Officers are, each acting alone hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Refunding Instructions. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Refunding Instructions.

6. Oversight Board Approval of the Issuance of the Bonds. The Successor Agency hereby requests the Oversight Board as authorized by Section 34177.5(f) to direct the Successor Agency to undertake the refunding proceedings and as authorized by Section 34177.5(f) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture.

7. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing its administrative staff for

1 time spent with respect to the authorization, issuance, sale and
2 delivery of the Refunding Bonds;
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4 (b) The application of proceeds of the Refunding Bonds by
5 the Successor Agency to the refunding and defeasance of the
6 Prior Bonds, as well as the payment by the Successor Agency of
7 costs of issuance of the Refunding Bonds, as provided in Section
8 34177.5(a), shall be implemented by the Successor Agency
9 promptly upon sale and delivery of the Refunding Bonds,
10 notwithstanding Section 34177.3 or any other provision of law to
11 the contrary, without the approval of the Oversight Board, the
12 California Department of Finance, the Riverside County Auditor-
13 Controller or any other person or entity other than the
14 Successor Agency;
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16 (c) The Successor Agency shall be entitled to receive its
17 full Administrative Cost Allowance under Section 34181(a)(3)
18 without any deductions with respect to continuing costs related
19 to the Refunding Bonds, such as trustee's fees, auditing and
20 fiscal consultant fees and continuing disclosure and rating
21 agency costs (collectively, "Continuing Costs of Issuance"), and
22 such Continuing Costs of Issuance shall be payable from property
23 tax revenues pursuant to Section 34183. In addition and as
24 provided by Section 34177.5(f), if the Successor Agency is
25 unable to complete the issuance of any of the Refunding Bonds
26 for any reason, the Successor Agency shall, nevertheless, be
27 entitled to recover its costs incurred with respect to the
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1 refunding proceedings with respect to such Refunding Bonds from
2 such property tax revenues pursuant to Section 34183 without
3 reduction in its Administrative Cost Allowance.
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6 8. Filing of Debt Service Savings Analysis and
7 Resolution. The Secretary of the Successor Agency is hereby
8 authorized and directed to file the Debt Service Savings
9 Analysis, together with a certified copy of this Resolution,
10 with the Oversight Board, and, as provided in Section 34180(j)
11 with the Riverside County Administrative Officer, the Riverside
12 County Auditor-Controller and the California Department of
13 Finance.
14

15 9. Sale of Refunding Bonds. The Successor Agency hereby
16 approves the Purchase Agreement. The Authorized Officers, each
17 acting alone, are hereby authorized and directed to execute and
18 deliver the Purchase Agreement for and in the name and on behalf
19 of the Successor Agency, in substantially the form on file with
20 the Secretary of the Successor Agency, with such changes
21 therein, deletions therefrom and additions thereto as the
22 Authorized Officer executing the same shall approve, such
23 approval to be conclusively evidenced by the execution and
24 delivery of the Purchase Agreement. The Authorized Officers are
25 further authorized to select one or more co-managing
26 underwriters for one or more series of the Refunding Bonds.
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10. Issuance of Refunding Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

11. Municipal Bond Insurance and Surety Bonds. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Refunding Bonds and reserve account surety bonds for the Refunding Bonds from a municipal bond insurance company if it is determined, upon consultation with the Financial Advisor and the Original Purchaser, that such municipal bond insurance policy and/or surety bonds will reduce the true interest costs of the Refunding Bonds.

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12. Approval of Official Statement. Following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency and upon submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its Disclosure Counsel, Fiscal Consultant and Financial Advisor, cause to be prepared a form of Official Statement for the Refunding Bonds, describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Original Purchaser to persons and institutions interested in purchasing the Refunding Bonds.

13. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approval by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer

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by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

14. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

The foregoing resolution was passed and adopted by the Successor Agency to the Redevelopment Agency for the County of Riverside at a regular meeting held on the 17th day of June, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

(S E A L)

Attest:

By: _____
Secretary

**THIRD SUPPLEMENT TO
INDENTURE OF TRUST**

Dated as of _____ 1, 2014

by and between the

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Relating to

\$37,000,000

**Redevelopment Agency for the County of Riverside
2004 Taxable Tax Allocation Housing Bonds, Series A-T**

\$50,860,000

**Redevelopment Agency for the County of Riverside
2010 Taxable Tax Allocation Housing Bonds, Series A-T**

and

\$14,095,000

**Redevelopment Agency for the County of Riverside
2011 Taxable Tax Allocation Housing Bonds, Series A-T**

THIRD SUPPLEMENT TO INDENTURE OF TRUST

This Third Supplement to Indenture of Trust (this "Third Supplement"), dated as of _____ 1, 2014, is by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public entity duly created and existing under the laws of the State of California (the "Successor Agency"), as successor to the Redevelopment Agency for the County of Riverside (the "Former Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee"), under the hereinafter defined Original Indenture;

WITNESSETH:

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

WHEREAS, for the purpose of providing funds to finance low and moderate income housing activities, the Former Agency issued pursuant to an Indenture of Trust, dated as of December 1, 2004 (the "2004 Indenture"), by and between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by the Trustee, its Redevelopment Agency For the County of Riverside 2004 Taxable Tax Allocation Housing Bonds, Series A-T, in the aggregate principal amount of \$37,000,000 (the "2004 Series A-T Bonds"); and

WHEREAS, for the purpose of providing funds to finance low and moderate income housing activities, the Former Agency issued pursuant to the 2004 Indenture and a First Supplement to Indenture of Trust dated as of May 1, 2010 (the "First Supplement"), by and between the Former Agency and the Trustee, its Redevelopment Agency For the County of Riverside 2010 Taxable Tax Allocation Housing Bonds, Series A-T, in the aggregate principal amount of \$50,860,000 (the "2010 Series A-T Bonds"); and

WHEREAS, for the purpose of providing funds to finance low and moderate income housing activities, the Former Agency issued pursuant to the 2004 Indenture, the First Supplement and a Second Supplement to Indenture of Trust dated as of March 1, 2011 (the "Second Supplement" and, together with the 2004 Indenture and the First Supplement, the "Original Indenture"), by and between the Former Agency and the Trustee, its Redevelopment Agency For the County of Riverside 2011 Taxable Tax Allocation Housing Bonds, Series A-T, in the aggregate principal amount of \$14,095,000 (the "2011 Series A-T Bonds"); and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the Redevelopment Law, and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Original Indenture and related documents to which the Former Agency was a party; and

WHEREAS, Section 34177.5(a)(1) of the California Health and Safety Code authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5; and

WHEREAS, said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

WHEREAS, in order to increase the feasibility of refunding certain obligations of the Former Agency, including, but not limited to, the 2004 Series A-T Bonds, the 2010 Series A-T Bonds and the 2011 Series A-T Bonds, as well as the 2004 Series A Bonds, the 2005 Series A Bonds, the 2010 Series A Bonds, the 2011 Series A Bonds (as such terms are defined in the Original Indenture), the Successor Agency has determined that it is necessary to amend the definition of the term "Qualified Reserve Account Credit Instrument" in the Original Indenture, and this Third Supplement is entered into for the purpose of amending such definition in the Original Indenture;

WHEREAS, all conditions to the effectiveness of this Third Supplement set forth in the Original Indenture have been satisfied, including without limitation, delivery of all opinions of counsel and written consents of any Insurer (as defined in the Original Indenture) to the Trustee;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

AGREEMENT

Section 1. Amendment. The defined term "Qualified Reserve Account Credit Instrument" set forth in the Original Indenture is hereby amended to read as follows:

"Qualified Reserve Account Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 4.03(d), provided that all of the following requirements are met by the Agency at the time of delivery thereof to the Trustee: (a) S&P or Moody's have assigned a long-term credit rating to such bank or insurance company is "A" (without regard to modifier) or higher; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.03(d); (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Sinking Account for the purpose of making payments required pursuant to Section 4.03; and (e) prior written notice is given to the Insurer before the effective date of any such Qualified Reserve Account Credit Instrument.

Section 2. Effect of this Third Supplement. Except as otherwise amended hereby, the Original Indenture shall remain in full force and effect.

Section 3. Execution in Counterparts. This Third Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Successor Agency's execution of this Third Supplement shall be deemed to be a Request of the Agency to the Trustee to execute and deliver Third Supplement.

Section 4. Governing Law. This Third Supplement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE has caused this Third Supplement to be signed in its name by the [Chief Executive Officer] of the County of Riverside on behalf of the Successor Agency to the Redevelopment Agency for the County of Riverside and attested to by its Secretary, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., has caused this Third Supplement to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE

By: County of Riverside

By _____
[Chief Executive Officer]

ATTEST:

Secretary of the Successor Agency to the
Redevelopment Agency for the County of
Riverside

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee

By _____
Authorized Officer

**FOURTH SUPPLEMENT TO
INDENTURE OF TRUST**

Dated as of _____ 1, 2014

by and between the

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Relating to

\$38,225,000

**Redevelopment Agency for the County of Riverside
2004 Tax Allocation Housing Bonds, Series A**

\$18,245,000

**Redevelopment Agency for the County of Riverside
2005 Tax Allocation Housing Refunding Bonds, Series A**

\$15,885,000

**Redevelopment Agency for the County of Riverside
2010 Tax Allocation Housing Bonds, Series A**

and

\$14,093,027.60

**Redevelopment Agency for the County of Riverside
2011 Tax Allocation Housing Bonds, Series A**

FOURTH SUPPLEMENT TO INDENTURE OF TRUST

This Fourth Supplement to Indenture of Trust (this "Fourth Supplement"), dated as of _____ 1, 2014, is by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public entity duly created and existing under the laws of the State of California (the "Successor Agency"), as successor to the Redevelopment Agency for the County of Riverside (the "Former Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee"), under the hereinafter defined Original Indenture;

WITNESSETH:

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

WHEREAS, for the purpose of providing funds to finance low and moderate income housing activities, the Former Agency issued pursuant to an Indenture of Trust, dated as of December 1, 2004 (the "2004 Indenture"), by and between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by the Trustee, its Redevelopment Agency For the County of Riverside 2004 Tax Allocation Housing Bonds, Series A, in the aggregate principal amount of \$38,225,000 (the "2004 Series A Bonds"); and

WHEREAS, for the purpose of providing funds to refinance low and moderate income housing activities, the Former Agency issued pursuant to the 2004 Indenture and a First Supplement to Indenture of Trust dated as of April 1, 2005 (the "First Supplement"), by and between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by the Trustee, its Redevelopment Agency For the County of Riverside 2005 Tax Allocation Housing Refunding Bonds, Series A, in the aggregate principal amount of \$18,245,000 (the "2005 Series A Bonds"); and

WHEREAS, for the purpose of providing funds to finance low and moderate income housing activities, the Former Agency issued pursuant to the 2004 Indenture, the First Supplement and a Second Supplement to Indenture of Trust dated as of May 1, 2010 (the "Second Supplement"), by and between the Former Agency and the Trustee, its Redevelopment Agency For the County of Riverside 2010 Tax Allocation Housing Bonds, Series A, in the aggregate principal amount of \$15,885,000 (the "2010 Series A Bonds"); and

WHEREAS, for the purpose of providing funds to finance low and moderate income housing activities, the Former Agency issued pursuant to the 2004 Indenture, the First Supplement, the Second Supplement to Indenture of Trust and a Third Supplement to Indenture of Trust dated as of March 1, 2011 (the "Third Supplement" and, together with the 2004 Indenture, the First Supplement and the Second Supplement, the "Original Indenture"), by and between the Former Agency and the Trustee, its Redevelopment Agency For the County of Riverside 2011 Tax Allocation Housing Bonds, Series A, in the aggregate principal amount of \$14,093,027.60 (the "2011 Series A Bonds"); and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the Redevelopment Law, and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Original Indenture and related documents to which the Former Agency was a party; and

WHEREAS, Section 34177.5(a)(1) of the California Health and Safety Code authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5; and

WHEREAS, said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Redevelopment Law, the Dissolution Act and the Refunding Law of its Successor Agency to the Redevelopment Agency For the County of Riverside Redevelopment 2014 Tax Allocation Housing Refunding Bonds, Series A (the "2014 Series A Bonds") in order to refund, on a current basis, all or a portion of the outstanding 2004 Series A Bonds; and

WHEREAS, in order to increase the feasibility of refunding the 2004 Series A Bonds at this time, and in order to increase the feasibility of refunding, at a later date, any portion of the 2004 Series A Bonds not refunded at this time, the 2005 Series A Bonds, the 2010 Series A Bonds, the 2011 Series A Bonds and the 2004 Series A-T Bonds, the 2010 Series A-T Bonds and the 2011 Series A-T Bonds (as such terms are defined in the Original Indenture), the Successor Agency has determined that it is necessary to amend the definition of the term "Qualified Reserve Account Credit Instrument" in the Original Indenture, and this Fourth Supplement is entered into for the purpose of amending such definition in the Original Indenture;

WHEREAS, all conditions to the effectiveness of this Fourth Supplement set forth in the Original Indenture have been satisfied, including without limitation, delivery of all opinions of counsel and written consents of any Insurer (as defined in the Original Indenture) to the Trustee;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

AGREEMENT

Section 1. Amendment. The defined term "Qualified Reserve Account Credit Instrument" set forth in the Original Indenture is hereby amended to read as follows:

"Qualified Reserve Account Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 4.03(d), provided that all of the following requirements are met by the Agency at the time of delivery thereof to the Trustee: (a) S&P or Moody's have assigned a long-term credit rating to such bank or insurance company is "A" (without regard to modifier) or higher; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.03(d); (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Sinking Account for the purpose of making payments required pursuant to Section 4.03; and (e) prior written notice is given to the Insurer before the effective date of any such Qualified Reserve Account Credit Instrument.

Section 2. Effect of this Fourth Supplement. Except as otherwise amended hereby, the Original Indenture shall remain in full force and effect.

Section 3. Execution in Counterparts. This Fourth Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Successor Agency's execution of this Fourth Supplement shall be deemed to be a Request of the Agency to the Trustee to execute and deliver Fourth Supplement.

Section 4. Governing Law. This Fourth Supplement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE has caused this Fourth Supplement to be signed in its name by the [Chief Executive Officer] of the County of Riverside on behalf of the Successor Agency to the Redevelopment Agency for the County of Riverside and attested to by its Secretary, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., has caused this Fourth Supplement to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE

By: County of Riverside

By _____
[Chief Executive Officer]

ATTEST:

Secretary of the Successor Agency to the
Redevelopment Agency for the County of
Riverside

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee

By _____
Authorized Officer

FIFTH SUPPLEMENT TO INDENTURE OF TRUST

Dated as of _____ 1, 2014

by and between the

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee**

Relating to

**\$ _____
Successor Agency to the
Redevelopment Agency for the County of Riverside
2014 Tax Allocation Housing Refunding Bonds, Series A**

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FIFTH SUPPLEMENT TO INDENTURE OF TRUST

This Fifth Supplement to Indenture of Trust (this "Fifth Supplement"), dated as of _____ 1, 2014, is by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public entity duly created and existing under the laws of the State of California (the "Successor Agency"), as successor to the Redevelopment Agency for the County of Riverside (the "Former Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee under the hereinafter defined 2004 Series A Indenture (the "Trustee");

WITNESSETH:

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

WHEREAS, the Redevelopment Plan (as defined in the 2004 Series A Indenture) for the Former Agency's Redevelopment Project (as defined in the 2004 Series A Indenture) has been adopted under the Redevelopment Law pursuant to all applicable requirements of the Redevelopment Law; and

WHEREAS, under the Redevelopment Law, twenty percent (20%) of the tax increment revenues payable to the Former Agency pursuant to the Redevelopment Plan was required to be set aside in a Low and Moderate Income Housing Fund for use in increasing the supply of low- and moderate-income housing in the County of Riverside (the "County");

WHEREAS, the Former Agency issued, on December 29, 2004, (i) its \$37,000,000 aggregate principal amount of Redevelopment Agency for the County of Riverside 2004 Taxable Tax Allocation Housing Bonds, Series A-T (the "2004 Series A-T Bonds") for the purpose of financing low- and moderate-income housing in the County, pursuant to an Indenture of Trust, dated as of December 1, 2004 (the "2004 Series A-T Indenture"), by and between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by the Trustee, and (ii) its \$38,225,000 aggregate principal amount of Redevelopment Agency for the County of Riverside 2004 Tax Allocation Housing Bonds, Series A (the "2004 Series A Bonds" and, together with the 2004 Series A-T Bonds, the "2004 Bonds") for the purpose of financing low- and moderate-income housing in the County, pursuant to an Indenture of Trust, dated as of December 1, 2004 (the "2004 Series A Indenture" and, together with the 2004 Series A-T Indenture, the "2004 Indentures"), by and between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by the Trustee; and

WHEREAS, the 2004 Bonds are secured by and payable from the Housing Tax Revenues (as defined in the 2004 Series A Indenture);

WHEREAS, Section 3.05 of each of the 2004 Indentures permits the issuance of Parity Debt (within the meaning of the 2004 Indentures) payable from Housing Tax Revenues on a parity with the 2004 Bonds, subject to certain terms and conditions; and

WHEREAS, on April 21, 2005, the Former Agency issued its Redevelopment Agency for the County of Riverside \$18,245,000 aggregate principal amount of 2005 Tax Allocation Housing Refunding Bonds, Series A (the "2005 Bonds") for the purpose of refinancing certain obligations which had been previously issued to finance low- and moderate-income housing in the County, pursuant to the 2004 Series A Indenture and the First Supplement to Indenture of Trust dated as of April 1, 2005 (the "2005 Series A First Supplement"), by and between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by the Trustee; and

WHEREAS, the 2005 Bonds were issued in accordance with the requirements of Section 3.05 of the 2004 Indentures, and are equally secured by and payable from the Housing Tax Revenues on a parity with the 2004 Bonds; and

WHEREAS, on June 3, 2010, for the purpose of financing additional low- and moderate-income housing in the County, the Former Agency issued (i) its \$50,860,000 aggregate principal amount of Redevelopment Agency for the County of Riverside 2010 Taxable Tax Allocation Housing Bonds, Series A-T (the "2010 Series A-T Bonds") pursuant to the 2004 Series A-T Indenture and the First Supplement to Indenture of Trust dated as of May 1, 2010 (the "2010 Series A-T First Supplement"), by and between the Former Agency and the Trustee, and (ii) its Redevelopment Agency for the County of Riverside \$15,885,000 aggregate principal amount of 2010 Tax Allocation Housing Bonds, Series A (the "2010 Series A Bonds" and, together with the 2010 Series A-T Bonds, the "2010 Bonds") pursuant to the 2004 Series A Indenture, the 2005 Series A First Supplement and the Second Supplement to Indenture of Trust dated as of May 1, 2010 (the "2010 Series A Second Supplement"), by and between the Former Agency and the Trustee; and

WHEREAS, the 2010 Bonds were issued in accordance with the requirements of Section 3.05 of the 2004 Indentures, and are equally secured by and payable from the Housing Tax Revenues on a parity with the 2004 Bonds and the 2005 Bonds; and

WHEREAS, on March 8, 2011, for the purpose of financing additional low- and moderate-income housing in the County, the Former Agency issued (i) its \$14,095,000 aggregate principal amount of Redevelopment Agency for the County of Riverside 2011 Taxable Tax Allocation Housing Bonds, Series A-T (the "2011 Series A-T Bonds") pursuant to the 2004 Series A-T Indenture, the 2010 Series A-T First Supplement to Indenture, and the Second Supplement to Indenture of Trust dated as of March 1, 2011 (the "2011 Series A-T Second Supplement"), by and between the Former Agency and the Trustee, and (ii) its \$14,093,027.60 aggregate principal amount of Redevelopment Agency for the County of Riverside 2011 Tax Allocation Housing Bonds, Series A (the "2011 Series A Bonds" and, together with the 2011 Series A-T Bonds, the "2011 Bonds") pursuant to the 2004 Series A Indenture, the 2005 Series A First Supplement, the 2010 Series A Second Supplement and the Third Supplement to Indenture of Trust dated as of March 1, 2011 (the "2011 Series A Third Supplement"), by and between the Former Agency and the Trustee; and

WHEREAS, the 2011 Bonds were issued in accordance with the requirements of Section 3.05 of the 2004 Indentures, and are equally secured by and payable from the Housing Tax Revenues on a parity with the 2004 Bonds, the 2005 Bonds and the 2010 Bonds; and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the Redevelopment Law, and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, the Former Agency was dissolved on February 1,

2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the 2004 Indentures, as amended and supplemented from time to time, and related documents to which the Former Agency was a party; and

WHEREAS, Section 34177.5(a)(1) of the California Health and Safety Code authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5; and

WHEREAS, said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Redevelopment Law, the Dissolution Act and the Refunding Law of its \$_____ aggregate principal amount of Successor Agency to the Redevelopment Agency for the County of Riverside Redevelopment 2014 Tax Allocation Housing Refunding Bonds, Series A (the "2014 Series A Bonds") in order to refund, on a current basis, all or a portion of the outstanding 2004 Series A Bonds; and

WHEREAS, debt service on the 2014 Series A Bonds will be payable on a parity basis with the debt service on the 2004 [Series A-T] Bonds [remaining outstanding], the 2005 Bonds, the 2010 Bonds and the 2011 Bonds; and

WHEREAS, the Successor Agency has certified that all acts and proceedings required by law necessary to make the 2014 Series A Bonds, when executed by the Successor Agency, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Fifth Supplement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Fifth Supplement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE XXIII

ADDITIONAL DEFINITIONS RELATING TO THE 2014 SERIES A BONDS

Section 23.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 23.01 shall, for all purposes of this Fifth Supplement, have the respective meanings specified in this Section 23.01. All terms defined in Section 1.02 and not otherwise defined in Section 11.01 of the 2005 Series A First Supplement, Section 15.01 of the 2010 Series A Second Supplement, Section 19.01 of the 2011 Series A Second Supplement, or this Section 23.01 shall, when used in this Fifth Supplement, have the respective meanings given to such terms in Section 1.02 of the 2004 Series A Indenture.

"Agency" means either the Successor Agency or the Former Agency, as the context may require.

"Bond Year" means, with respect to the 2014 Series A Bonds, the one-year period beginning on October 2 in any year and ending on the next succeeding October 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date with respect to the 2014 Series A Bonds and end on October 1, 2015.

"Bonds" means the [2004 Series A Bonds remaining outstanding,] the 2004 Series A-T Bonds, the 2005 Series A Bonds, the 2010 Series A Bonds, the 2010 Series A-T Bonds, the 2011 Series A Bonds, the 2011 Series A-T Bonds, the 2014 Series A Bonds and any Parity Debt issued as bonds pursuant to a Supplemental Indenture.

"Closing Date" means, with respect to the 2014 Series A Bonds, the date on which the 2014 Series A Bonds are delivered to the original purchasers thereof.

"Continuing Disclosure Certificate" means, with respect to the 2014 Series A Bonds, that certain Continuing Disclosure Certificate relating to the 2014 Series A Bonds executed by the Successor Agency and dated the date of issuance and delivery of the 2014 Series A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Fourth Supplement" means the Fourth Supplement to Indenture of Trust dated as of _____, 2014, between the Successor Agency and the Trustee.

"Indenture" means the 2004 Series A Indenture, as heretofore supplemented and amended by the 2005 Series A First Supplement, the 2010 Series A Second Supplement, the 2011 Series A Third Supplement, the Fourth Supplement and this Fifth Supplement, and as they may be further supplemented or amended by any Supplemental Indenture entered into pursuant to the provisions thereof.

"Original Purchaser" means, Citigroup Global Markets Inc. [and _____], as the original purchaser of the 2014 Series A Bonds.

"Resolution" means the resolution adopted by the Successor Agency on _____, 2014 and _____, 2014 approving the issuance of the 2014 Series A Bonds.

"2004 Bonds" means, collectively, the 2004 Series A Bonds and the 2004 Series A-T Bonds.

"2004 Indentures" means, collectively, the 2004 Series A Indenture and the 2004 Series A-T Indenture.

"2004 Series A Bonds" means the Former Agency's 2004 Tax Allocation Housing Bonds, Series A initially issued in the principal amount of \$38,225,000 pursuant to the provisions of the 2004 Series A Indenture.

"2004 Series A Bonds Refunding Instructions" means those Irrevocable Refunding Instructions dated the date of issuance and delivery of the 2014 Series A Bonds relating to the defeasance and refunding of the 2004 Series A Bonds, executed by the Successor Agency and delivered to the Trustee.

"2004 Series A Indenture" means the Indenture of Trust dated as of December 1, 2004, by and between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by the Trustee, pursuant to which the 2004 Series A Bonds were issued, as supplemented and amended.

"2004 Series A-T Bonds" means the Former Agency's 2004 Taxable Tax Allocation Housing Bonds, Series A-T initially issued in the principal amount of \$37,000,000 pursuant to the provisions of the 2004 Series A-T Indenture.

"2004 Series A-T Indenture" means the Indenture of Trust dated as of April 1, 2004, by and between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by the Trustee, pursuant to which the 2004 Series A Bonds were issued, as supplemented and amended.

"2005 Series A Bonds" or "2005 Bonds" means the Former Agency's 2005 Tax Allocation Housing Refunding Bonds, Series A initially issued in the principal amount of \$18,245,000 pursuant to the provisions of the 2004 Series A Indenture and the 2005 Series A First Supplement.

"2010 Bonds" means, collectively, the 2010 Series A Bonds and the 2010 Series A-T Bonds.

"2010 Series A Bonds" means the Former Agency's 2010 Tax Allocation Housing Bonds, Series A initially issued in the principal amount of \$15,885,000 pursuant to the provisions of the 2004 Series A Indenture, the 2005 Series A First Supplement and the 2010 Series A Second Supplement.

"2010 Series A-T Bonds" means the Former Agency's 2010 Taxable Tax Allocation Housing Bonds, Series A-T initially issued in the principal amount of \$50,860,000 pursuant to the provisions of the 2004 Series A-T Indenture and the 2010 Series A-T First Supplement.

"2011 Bonds" means, collectively, the 2011 Series A Bonds and the 2011 Series A-T Bonds.

"2011 Series A Bonds" means the Former Agency's 2011 Tax Allocation Housing Bonds, Series A initially issued in the principal amount of \$14,093,027.60 pursuant to the provisions of

the 2004 Series A Indenture, the 2005 Series A First Supplement, the 2010 Series A Second Supplement and the 2011 Series A Third Supplement.

"2011 Series A-T Bonds" means the Former Agency's 2011 Taxable Tax Allocation Housing Bonds, Series A-T initially issued in the principal amount of \$14,095,000 pursuant to the provisions of the 2004 Series A-T Indenture, 2010 Series A-T First Supplement and the 2011 Series A-T Second Supplement.

"2014 Series A Bond Insurance Policy" means [to come]

"2014 Series A Bonds" means the Successor Agency's 2014 Tax Allocation Housing Bonds, Series A issued in the initial principal amount of \$_____ issued in accordance with the provisions of the 2004 Series A Indenture, the 2005 Series A Supplement, the 2010 Series A Supplement, the 2011 Series A Supplement, the Fourth Supplement and this Fifth Supplement.

"2014 Series A Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 21.02.

"2014 Series A Insurer" means [to come]

"2014 Series A Subaccount" means the subaccount by that name established pursuant to Section 25.04.

"2014 Series A Surety Bond" means [to come]

"2014 Series A Tax Refunding Fund" means the fund by that name established pursuant to Section 25.03.

"2014 Series A Term Bonds" means the 2014 Series A Bonds maturing on October 1, 20__, October 1, 20__, and October 1, 20__.

ARTICLE XXIV

AUTHORIZATION OF 2014 SERIES A BONDS

Section 24.01. Authorization of 2014 Series A Bonds. The 2014 Series A Bonds have been authorized to be issued by the Successor Agency pursuant to the Resolution. The 2014 Series A Bonds are being issued as Parity Debt in the aggregate principal amount of _____ Dollars (\$_____), under and subject to the terms of the Indenture, the Resolution, the Dissolution Act, the Refunding Law and the Redevelopment Law, for the purpose of providing funds to refund the 2004 Series A Bonds [in full/in part]. The Indenture, including this Fifth Supplement, constitutes a continuing agreement with the Owners of all of the 2014 Series A Bonds issued hereunder and at any time Outstanding to secure the full and final payment of principal of and premium, if any, and interest on all 2014 Series A Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The 2014 Series A Bonds shall be designated the "Successor Agency to the Redevelopment Agency for the County of Riverside 2014 Tax Allocation Housing Refunding Bonds, Series A."

Section 24.02. Terms of 2014 Series A Bonds. The 2014 Series A Bonds shall be dated as of their Closing Date. The 2014 Series A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000, or any integral multiple thereof. The 2014 Series A Bonds shall be issued in Book-Entry Form as provided in Section 2.04 of the 2004 Series A Indenture.

The 2014 Series A Bonds shall mature on October 1 in each of the years and in the respective principal amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months), payable on each Interest Payment Date commencing April 1, 2015, at the rates per annum, as set forth below.

Maturity Schedule

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
---------------------------------------	-----------------------------------	--------------------------------

The 2014 Series A Bonds maturing on October 1, 20__ are hereby designated as 2014 Series A Term Bonds.

The 2014 Series A Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before March 15, 2015, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any 2014 Series A Bond, interest thereon is in default, such 2014 Series A

Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the 2014 Series A Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the applicable Interest Payment Date to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of 2014 Series A Bonds, which written request is on file with the Trustee as of any Record Date, interest on such 2014 Series A Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request. The principal of the 2014 Series A Bonds and any premium upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Office of the Trustee.

Section 24.03. Redemption. The 2014 Series A Bonds shall be subject to redemption as provided in this Section 24.03.

(a) Optional Redemption. The 2014 Series A Bonds maturing on and after October 1, 20__, are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the 2014 Series A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2014 Series A Bonds under this subsection (a) and of the maturities selected for redemption at least forty-five (45) days prior to the date fixed for redemption (or such later date as shall be acceptable to the Trustee).

(b) Mandatory Sinking Fund Redemption. The 2014 Series A Term Bonds maturing October 1, 20__, October 1, 20__, and October 1, 20__, shall be subject to mandatory redemption in part by lot on October 1, 20__, October 1, 20__, and October 1, 20__, respectively, and on October 1 in each year thereafter as set forth below, from Sinking Account payments made by the Successor Agency pursuant to Section 4.03(c) at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased in whole or in part pursuant to the last paragraph of this subsection (b), in the aggregate respective principal amounts and on the respective dates as set forth in the following table; *provided, however,* that if some but not all of the 2014 Series A Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future applicable Sinking Account payments shall be reduced by the aggregate principal amount of such 2014 Series A Term Bonds so redeemed, to be allocated among the Sinking Account payments as are thereafter payable on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

2014 Series A Term Bonds Maturing October 1, 20__

Sinking Account
Redemption Date
(October 1)

Principal Amount To Be
Redeemed or Purchased

2014 Series A Term Bonds Maturing October 1, 20__

Sinking Account
Redemption Date
(October 1)

Principal Amount To Be
Redeemed or Purchased

2014 Series A Term Bonds Maturing October 1, 20__

Sinking Account
Redemption Date
(October 1)

Principal Amount To Be
Redeemed or Purchased

In lieu of redemption of 2014 Series A Term Bonds pursuant to this subsection (b), amounts on deposit as Sinking Account payments may also be used and withdrawn by the Trustee, at the written direction of the Successor Agency, at any time for the purchase of 2014 Series A Term Bonds otherwise required to be redeemed on the following October 1 at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of the 2014 Series A Term Bonds so purchased by the Successor Agency and surrendered to the Trustee for cancellation in any twelve-month period ending on August 1 in any year shall be credited towards and shall reduce the par amount of the 2014 Series A Term Bonds otherwise required to be redeemed on the following October 1 pursuant to this subsection (b).

(c) Redemption Procedures. Except as provided in this Section 24.03 to the contrary, Section 2.03(c) through (g) of the 2004 Series A Indenture shall also apply to the redemption of the 2014 Series A Bonds, and references in said Sections to the "2004 Series A Bonds" shall be deemed to be references to "Bonds." Additionally, the references in Section 4.02(c) to "Section 2.03(b)" shall now be deemed to be references to "Sections 2.03(b), 11.03(b), 16.03(b), 20.03(b) and 24.03(b)," and the references in Section 4.02(e) to "Section 2.03(a)" shall now be deemed to be references to "Sections 2.03(a), 11.03(a), 16.03(a), 20.03(a) and 24.03(a)."

Section 24.04. Form and Execution of 2014 Series A Bonds, CUSIP Numbers. The 2014 Series A Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by the Indenture.

The 2014 Series A Bonds shall be executed as provided in Section 2.05 of the 2004 Series A Indenture, and shall be otherwise subject to said Section 2.05, Section 2.04 and Sections 2.06 through 2.10 of the 2004 Series A Indenture. References to the "2004 Series A Bonds" in said Sections shall be deemed to be references to "Bonds."

ARTICLE XXV

APPLICATION OF PROCEEDS OF 2014 SERIES A BONDS

Section 25.01. Application of Proceeds of Sale of 2014 Series A Bonds. On the Closing Date with respect to the 2014 Series A Bonds, the net proceeds of sale of the 2014 Series A Bonds (being the principal amount of the 2014 Series A Bonds, less an underwriter's discount of \$ _____ retained by the Original Purchaser, plus original issue premium of \$ _____, less \$ _____ paid to the 2014 Series A Insurer as the premium for the 2014 Series A Bond Insurance Policy, less \$ _____ paid to the 2014 Series A Insurer as the premium for the 2014 Series A Surety Bond, for a total purchase price of \$ _____) shall be paid to the Trustee and deposited by the Trustee as follows:

(a) The Trustee shall deposit the amount of \$ _____ in the 2014 Series A Costs of Issuance Fund.

(b) The Trustee shall deposit the amount of \$ _____, being the remainder of the proceeds of the 2014 Series A Bonds, in the 2014 Series A Refunding Fund.

The Trustee will credit the 2014 Subaccount of the Reserve Account with the 2014 Series A Surety Bond.

The Trustee may, at its discretion, establish a temporary fund or account in its books or records to facilitate such transfers.

Section 25.02. 2014 Series A Costs of Issuance Fund. There is hereby established a separate fund to be known as the "2014 Series A Costs of Issuance Fund", which shall be held by the Trustee in trust. The moneys in the 2014 Series A Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the 2014 Series A Bonds upon submission of a Written Request of the Successor Agency stating (a) the person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the 2014 Series A Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Written Request of the Successor Agency; in each case together with a statement or invoice for each amount requested thereunder. On the earlier of _____ 1, 201_, or the date of receipt by the Trustee of a Request of the Successor Agency, all amounts (if any) remaining in the 2014 Series A Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and be transferred to the Interest Account.

Section 25.03. 2014 Series A Refunding Fund. There is hereby created the 2014 Series A Refunding Fund (the "Refunding Fund") held by the Trustee in trust for the benefit of the Successor Agency. The moneys in the Refunding Fund shall be maintained separate and apart from other moneys of the Successor Agency.

The Trustee shall transfer all moneys on deposit in the Refunding Fund to The Bank of New York Mellon Trust Company, N.A., as trustee of the 2004 Bonds, for deposit and application under and pursuant to the 2004 Bonds Refunding Instructions. Upon making such transfer, the Refunding Fund shall be closed.

Section 25.04. 2014 Series A Subaccount of the Reserve Account. Pursuant to this Section 25.04 and Section 16.04 of the 2004 Series A Indenture, the Trustee shall establish, maintain and hold in trust, a separate subaccount within the Reserve Account designated as the "2014 Reserve Subaccount." Amounts on deposit in the 2014 Reserve Subaccount shall be available to pay debt service only on the 2014 Series A Bonds and any other Parity Debt hereafter issued that the Successor Agency elects to be secured by the 2014 Reserve Subaccount. In the event that the Successor Agency elects to secure additional Parity Debt with the 2014 Reserve Subaccount, the Successor Agency shall establish additional sub-subaccounts within the 2014 Reserve Subaccount as needed. Amounts on deposit in the 2014 Reserve Subaccount are not available to pay debt service on [the 2004 Bonds remaining outstanding,] the 2005 Bonds, the 2010 Bonds or the 2011 Bonds, and are not pledged to the payment thereof.

Pursuant to Section 4.03(d) of the Indenture, in the event of a draw on amounts on deposit in the 2014 Reserve Subaccount to pay debt service on the 2014 Series A Bonds, such draw shall be replenished from Tax Revenues on a proportionate basis with the draws on other subaccounts within the Reserve Account based on the respective Reserve Requirements with respect to each such subaccount without regard to whether a particular subaccount contained cash or a Qualified Reserve Account Credit Instrument that was drawn upon.

ARTICLE XXVI

AMENDMENTS; MISCELLANEOUS

Section 26.01. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Participating Underwriter or any owner or beneficial owner of the 2014 Series A Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 26.01.

Section 26.02. Tax Covenants Relating to 2014 Series A Bonds.

(a) Maintenance of Tax Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2014 Series A Bonds from the gross income of the Owners of the 2014 Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2014 Series A Bonds.

(b) Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2014 Series A Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2014 Series A Bonds.

(d) No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2014 Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2014 Series A Bonds would have caused the 2014 Series A Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2014 Series A Bonds from the gross income of the owners of the 2014 Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2014 Series A Bonds.

(f) Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the 2014 Series A Bonds are not so used as to cause the 2014 Series A Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 26.03. Benefits Limited to Parties. Nothing in this Fifth Supplement, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, and the Owners of the 2014 Series A Bonds, any right, remedy, claim under or by reason of this Fifth Supplement. Any covenants, stipulations, promises or agreements in this Fifth Supplement contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, and the Owners of the 2014 Series A Bonds.

Section 26.04. Effect of this Fourth Supplement. Except as in this Fifth Supplement expressly provided or except to the extent inconsistent with any provision of this Fourth Supplement, the 2014 Series A Bonds shall be deemed to be Bonds under and within the meaning thereof as set forth in Section 1.02 of the 2004 Series A Indenture.

Section 26.05. Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the 2014 Series A Bonds and the rights and benefits provided in the Indenture.

Section 26.06. Reliance on Facsimiles. The Trustee agrees to accept and act upon instructions or directions pursuant to the Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 26.07. Execution in Counterparts. This Fifth Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 26.08. Governing Law. This Third Supplement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE has caused this Fifth Supplement to be signed in its name by the Chief Executive Officer of the County and attested by its Secretary, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Fifth Supplement to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE

By: _____
Chief Executive Officer of the
County of Riverside

ATTEST:

By: _____
Secretary

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF 2014 SERIES A BOND

No. _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE**

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE
2014 TAX ALLOCATION HOUSING BOND, SERIES A**

INTEREST RATE: MATURITY DATE: ORIGINAL ISSUE CUSIP:
DATE:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public entity existing under the laws of the State of California (the "Successor Agency"), as successor to the Redevelopment Agency for the County of Riverside (the "Former Agency") for value received, hereby promises to pay (but only out of the Housing Tax Revenues and other moneys hereafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the rate of Interest identified above in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to March 15, 2015, in which event it shall bear interest from the Original Issue Date identified above; *provided, however*, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on April 1 and October 1 in each year, commencing April 1, 2015 (the "Interest Payment Dates") until payment of such Principal Amount in full. The Principal Amount hereof is payable upon presentation hereof at the principal corporate office of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), in Los Angeles, California, or at such other place as is designated by the Trustee. Interest hereon is payable by check or draft of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the written

request of the owner of at least \$1,000,000 aggregate principal amount of Bonds which written request is on file with the Trustee as of any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date by wire transfer to such account as shall be specified in such written request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the "Successor Agency of the Redevelopment Agency for the County of Riverside 2014 Tax Allocation Housing Refunding Bonds, Series A" (the "Bonds") of an aggregate principal amount of _____ Dollars (\$_____), all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, or interest rates) and all issued pursuant to the provisions of the Redevelopment Law (as defined in the hereinafter defined Indenture) Health and Safety Code (the "Redevelopment Law") and pursuant to (i) an Indenture of Trust, dated as of December 1, 2004, by and between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by the Trustee (the "2004 Series A Indenture") pursuant to which the Former Agency issued its Redevelopment Agency for the County of Riverside 2004 Tax Allocation Housing Bonds, Series A (the "2004 Series A Bonds"), in an aggregate principal amount of Thirty Eight Million Two Hundred Twenty Five Thousand Dollars (\$38,225,000), (ii) a First Supplement to Indenture of Trust, dated as of April 1, 2005, by and between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by the Trustee (the "First Supplement") pursuant to which the Former Agency issued its Redevelopment Agency for the County of Riverside 2005 Tax Allocation Housing Refunding Bonds, Series A (the "2005 Series A Bonds"), in an aggregate principal amount of Eighteen Million Two Hundred Forty Five Thousand Dollars (\$18,245,000), (iii) a Second Supplement to Indenture of Trust dated as of May 1, 2010, by and between the Former Agency and the Trustee (the "Second Supplement") pursuant to which the Former Agency issued its Redevelopment Agency for the County of Riverside 2010 Tax Allocation Housing Refunding Bonds, Series A (the "2010 Series A Bonds"), in an aggregate principal amount of Fifteen Million Eight Hundred Eighty Five Thousand Dollars (\$15,885,000), (iv) a Third Supplement to Indenture of Trust dated as of March 1, 2011, by and between the Former Agency and the Trustee (the "Third Supplement") pursuant to which the Former Agency issued its Redevelopment Agency for the County of Riverside 2011 Tax Allocation Housing Refunding Bonds, Series A (the "2011 Series A Bonds"), in an aggregate principal amount of Fourteen Million Ninety Three Thousand Twenty Seven Dollars and Sixty Cents (\$14,093,027.60), (v) a Fourth Supplement to Indenture of Trust dated as of _____ 1, 2014, by and between the Successor Agency and the Trustee (the "Fourth Supplement"), and (vi) a Fifth Supplement to Indenture of Trust dated as of _____ 1, 2014, by and between the Successor Agency and the Trustee (the "Fifth Supplement" and, together with the 2004 Series A Indenture, the First Supplement, the Second Supplement, the Third Supplement and the Fourth Supplement, the "Indenture") pursuant to which the Successor Agency has issued the Bonds. The Bonds have been authorized to be issued by the Successor Agency pursuant to resolutions of the Successor Agency adopted on _____, 2014 and _____, 2014. The obligations of the Successor Agency under the Indenture with respect to the Bonds are on a parity with 2004 [Series A-T] Bonds [remaining outstanding], the 2005 Bonds, the 2010 Bonds and the 2011 Bonds (as such terms are defined in the Fifth Supplement). Additionally, the Successor Agency may issue or incur additional obligations on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Trustee) and all supplements thereto and to the Redevelopment Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Housing Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency

thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency to provide funds for the Successor Agency in order to refund [all/part of] the 2004 Series A Bonds.

This Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Housing Tax Revenues derived by the Successor Agency from the Redevelopment Project (as such terms are defined in the Indenture), and on a parity with any parity debt heretofore issued or hereafter issued at any time by the Successor Agency under and in accordance with the Indenture. The Housing Tax Revenues consist of that portion of Tax Revenues required by Section 33334.3 of the Redevelopment Law to be deposited in the Former Agency's Low and Moderate Income Housing Fund. Tax Revenues consist of all taxes pledged and annually allocated within the Plan Limitations, following the Closing Date, and paid to the Successor Agency with respect to the Project Area pursuant to the Redevelopment Law and the Constitution of the State, or pursuant to other applicable State laws, and as provided in the Redevelopment Plan, and all payments, subventions and reimbursements, if any, to the Successor Agency specifically attributable to *ad valorem* taxes lost by reason of tax exemptions and tax rate limitations, but excluding (i) amounts payable by the State to the Successor Agency under and pursuant to Chapter 1.5 of Part 1 of Division 4 of Title 2 (commencing with Section 16110) of the California Government Code, and (ii) amounts payable by the Successor Agency pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law, except and to the extent that any amounts so payable are payable on a basis subordinate to the payment of the 2014 Series A Bonds or to the payment of Parity Debt, as applicable.

As and to the extent set forth in the Indenture, all of the Housing Tax Revenues are irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture and the Redevelopment Law, to the payment of the principal of and interest on the Bonds and any such parity obligations. Notwithstanding the foregoing, certain amounts out of Housing Tax Revenues may be applied for other purposes as provided in the Indenture.

This Bond is not a debt of the County of Riverside, the State of California, or any of its political subdivisions, and neither said County nor said State or any of its political subdivisions is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than the Housing Tax Revenues and amounts held in certain funds and accounts under the Indenture.

The rights and obligations of the Successor Agency and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the owners required to effect any such modification or amendment.

The Bonds maturing on October 1, 20__, are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Bonds

to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem Bonds under this subsection (a) and of the maturities selected for redemption at least thirty (30) days prior to the date fixed for redemption (or such later date as shall be acceptable to the Trustee).

The Bonds maturing October 1, 20__ (the "Term Bonds"), are subject to mandatory redemption in part by lot on October 1, 20__, and on October 1 in each year thereafter as set forth below, from Sinking Account payments made by the Successor Agency, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased in whole or in part pursuant to the Indenture, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; *provided, however*, that if some but not all of the Term Bonds have been optionally redeemed, the total amount of all future applicable Sinking Account payments shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among the Sinking Account payments as are thereafter payable on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

Term Bonds Maturing October 1, 20__

Sinking Account Redemption Date (October 1)	Principal Amount To Be <u>Redeemed or Purchased</u>
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In lieu of redemption of Term Bonds, amounts on deposit as Sinking Account payments may also be used and withdrawn by the Trustee, at the written direction of the Successor Agency, at any time for the purchase of Term Bonds otherwise required to be redeemed on the following October 1 at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of the Term Bonds so purchased by the Successor Agency and surrendered to the Trustee for cancellation in any twelve-month period ending on August 1 in any year shall be credited towards and shall reduce the par amount of the Term Bonds otherwise required to be redeemed on the following October 1 pursuant to the mandatory Sinking Account redemption optional redemption described above.

The Trustee, on behalf and at the expense of the Successor Agency, shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to one or more Information Services, at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon.

The Successor Agency has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds shall be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond may be presented for transfer by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee in Los Angeles, California, or at such other place as is designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Redevelopment Law and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Redevelopment Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the Successor Agency to the Redevelopment Agency for the County of Riverside has caused this Bond to be executed in its name and on its behalf with the facsimile signature of the Chief Executive Officer of the County of Riverside and attested by the facsimile signature of its Secretary, all as of the Original Issue Date set forth above.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE

By: _____
Chief Executive Officer of the
County of Riverside

ATTEST:

Secretary

FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated: _____, 2014

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Trustee

By: _____
Authorized Officer

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint

attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guaranteed shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.



C.M. de CRINIS & CO., INC.

MEMORANDUM

To: Successor Agency to the Redevelopment Agency for the County of Riverside

Date: June 17, 2014

From: C.M. de Crinis - Financial Advisor to the County of Riverside Public Financing Authority Tax Allocation Bonds Refunding Program

RE: Housing Bond Refunding Plan

Introduction

As a result of ABx1 26 and the California Supreme Court decision in the Matosantos case challenging the constitutionality of AB 26, all redevelopment agencies in the State were dissolved as of February 1, 2012, including the Redevelopment Agency for the County of Riverside, and successor agencies to the former redevelopment agencies were designated to expeditiously wind down the affairs of the former redevelopment agencies. The County of Riverside acts as successor agency to the Redevelopment Agency (the "Successor Agency").

The primary provisions enacted by ABx1 26 relating to the dissolution and wind down of former redevelopment agency affairs are codified in Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 ("AB 1484"), enacted as Chapter 26, Statutes of 2012 (as amended from time to time, the "Dissolution Act").

Refunding Bonds under the Dissolution Act - Section 34177.5 of the Health & Safety Code, which was added to the Dissolution Act by AB 1484, authorizes the Successor Agency to issue bonds for the purpose of refunding outstanding tax allocation bonds of the Redevelopment Agency or the Successor Agency to provide debt service savings

provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds does not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance. If the foregoing conditions are satisfied, the initial principal amount of the refunding bonds may be greater than the outstanding principal amount of the bonds to be refunded.

Section 34177.5(h) of the Dissolution Act requires the Successor Agency to make diligent efforts to ensure that the lowest long-term cost financing is obtained, and requires the successor agency to make use of an independent financial advisor in developing financing proposals and to make the work products of the financial advisor available to the Department of Finance at its request.

This report is written by C.M. de Crinis & Co. Inc., which has been engaged as the independent financial advisor to the County of Riverside Public Financing Authority's Tax Allocation Bond Refunding Program (the "County Program"), to analyze the possible refunding of the Successor Agency's) Series 2004 tax allocation bonds and to assure compliance with AB 1484.

Overview of Housing Bonds Refunding Plan

On February 20, 2014 the Successor Agency Oversight Board elected, pursuant to Health and Safety Code Section 34177.5(f), to participate in the Riverside County's Refunding Program which is available to all Successor Agencies in the County. (The Department approved an Indian Wells refunding through the County Program in April of this year. That refinancing was successfully concluded in May.) Successor Agency staff and the Program's financing team has identified three (3) Series of Refunding Bonds totaling \$62,875,000 (the "Refunding Bonds"), which will refund \$67,215,000 of outstanding bonds and are the subject of a separate submission. This submission pertains to the County's 2004 A Housing Bonds which are secured by the 20% Housing Set-Aside.

The Successor Agency plans to redeem and refund all of the bonds that produce acceptable net present value savings. Accordingly the size of the projected issuance will vary depending upon interest rates at the time of bond sale.

The Refunding Bonds will be purchased by the Riverside County Public Financing Authority (the "Authority"). The Authority will simultaneously issue Authority Tax Allocation Revenue Bonds underwritten by negotiated sale, provided savings are determined to be sufficient by the Successor Agency and the Authority. If savings are insufficient the Successor Agency may forgo or delay the refinancing. Successor Agency; Authority Staff has determined a minimum net combined present value target of at or near 3% of the principal bonds refunded. The Bonds can be refunded or repaid at any time after October 1, 2014 upon 30 days' notice and are treated as a current refunding under Federal Tax Law. The refunding bonds will be tax exempt.



Refunding Candidates

The Redevelopment Agency proposes to issue one series of Refunding Bonds:

2004 Series A Housing Bonds - Currently \$38,225,000 in Bonds are outstanding and refundable for acceptable savings. These bonds have a final maturity date of October 1, 2037 and are first callable 10/1/2014 at Par. \$36,010,000 2014 Tax Allocation Housing Refunding Bonds, Series A will be issued (The amount of refunding bonds sold is less than the bonds outstanding as a result of “premium” pricing; the net proceeds will be sufficient to redeem the outstanding bonds.)

The Authority also has a taxable Series 2004A Housing Bonds in addition to Housing Bonds issued in 2005, 2010 and 2011. These issues are currently not candidates for refunding due to unattractive savings levels.

Bond Structure and Credit Considerations

The 2014 Refunding bonds will be issued on parity with the Agency’s existing Housing Bonds. The existing debt service coverage on the Housing Bonds is 1.35 times. It is expected that coverage will increase to 1.40 times after the refunding based upon the debt service savings and the increase in assessed values for Fiscal Year 2014-15. In 2004 the Authority Bonds were insured by XL Capital, now Syncora Guarantee, and were rated Aaa/AAA. The current rating of the Series 2004 Bonds is A- by Standard & Poor’s. The term and repayment dates will be identical to the outstanding bonds being refunded. Savings will be proportional in each year.

Section 34177.5(g) provides that any refunding bonds shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Successor Agency’s Redevelopment Property Tax Trust Fund. All three refunding series will be issued on a senior lien basis, on parity with other existing senior lien debt. Tax revenues will be pledged to pay the refunding debt service and submitted together with other existing Successor Agency debt service on the semi-annual ROPS for approval by the Department of Finance.

In order to issue the Series 2014 Refunding Bonds on parity with other outstanding senior lien bonds the refunding bonds will need to make additional contributions to existing pooled bond reserve funds. It is proposed to obtain bond debt service reserve fund surety policies in lieu of cash funded reserves. The Series 2004 Bonds being refunded currently have such Surety Policies from Syncora Guarantee Insurance. The Series 2014 Refunding Bonds will replace these policies, Syncora was rated Aaa/AAA in the 2004 but the bond ratings have subsequently been withdrawn. There are now only two viable remaining reserve fund surety providers, Assured Guarantee Municipal and Build America Mutual; neither have the “AAA” credit ratings from both Standard & Poor’s and Moody’s required under the existing senior indentures. Their Standard and Poor’s ratings are “AA-” and “AA” respectively. We have requested an amendment from the existing insurers, Syncora and MBIA, to the prior indentures to allow for replacement sureties from these two currently active surety providers.

Obtaining these surety policies will require the Series 2014 Bonds to be qualified for insurance. Obtaining such insurance is a key objective in refunding the bonds. Obtaining the insurance and new surety policies, if available, will also upgrade the credit quality of the Authority other outstanding parity tax allocation bonds. The request for consent has already been made in connection with the County's non-housing refunding series mentioned above.

It is expected that the 2014 Authority Bonds will receive ratings from Standard & Poor's of "A-" the large diverse tax base increased debt service coverage and term. It is expected that bond insurance will be available from Assured Guaranty Mutual or Build America Mutual increasing the ratings to the "AA" category (Assured Guarantee is currently rated AA-) by S&P. No Moody's or Fitch Rating will be applied for.

Summary of Expected Refunding Results

	<u>2014 Housing Refunding Bonds</u>
Bonds Outstanding	\$38,225,000
Average Coupon	4.95%
Average Life	19.4
Final Maturity	2037
Refunding Bonds	\$36,010,000
True Interest Cost	4.33%
Final Maturity	2037
Average Life	19.4
Cash Flow Savings	\$3,893,250
Present Value Savings	\$2,211,183
As % of Refunded Bonds	5.78%



Savings Summary - 2014 Housing Refunding Bonds

<u>Fiscal Year</u>	<u>Prior Debt Service</u>	<u>New Debt Service</u>	<u>Savings</u>	<u>PV Savings</u>
6/30/2015	5,251.74		5,251.74	5,146.39
6/30/2016	1,890,625.00	1,805,501.39	85,123.61	82,546.55
6/30/2017	1,890,625.00	1,800,500.00	90,125.00	84,008.93
6/30/2018	1,890,625.00	1,800,500.00	90,125.00	80,705.05
6/30/2019	1,890,625.00	1,800,500.00	90,125.00	77,531.10
6/30/2020	1,890,625.00	1,800,500.00	90,125.00	74,481.98
6/30/2021	1,890,625.00	1,800,500.00	90,125.00	71,552.77
6/30/2022	1,890,625.00	1,800,500.00	90,125.00	68,738.77
6/30/2023	1,890,625.00	1,800,500.00	90,125.00	66,035.43
6/30/2024	1,890,625.00	1,800,500.00	90,125.00	63,438.41
6/30/2025	1,890,625.00	1,800,500.00	90,125.00	60,943.52
6/30/2026	1,890,625.00	1,800,500.00	90,125.00	58,546.75
6/30/2027	1,890,625.00	1,800,500.00	90,125.00	56,244.24
6/30/2028	1,890,625.00	1,800,500.00	90,125.00	54,032.28
6/30/2029	3,795,625.00	3,520,500.00	275,125.00	157,388.98
6/30/2030	4,590,375.00	4,319,500.00	270,875.00	148,819.97
6/30/2031	4,590,625.00	4,319,250.00	271,375.00	143,179.68
6/30/2032	4,593,875.00	4,322,500.00	271,375.00	137,497.53
6/30/2033	4,594,625.00	4,323,750.00	270,875.00	131,795.59
6/30/2034	4,592,625.00	4,317,750.00	274,875.00	128,426.50
6/30/2035	5,881,125.00	5,609,500.00	271,625.00	121,904.42
6/30/2036	5,880,750.00	5,608,750.00	272,000.00	117,273.30
6/30/2037	5,881,750.00	5,611,500.00	270,250.00	111,888.12
6/30/2038	<u>5,880,000.00</u>	<u>5,607,000.00</u>	<u>273,000.00</u>	<u>108,531.23</u>
	74,864,751.74	70,971,501.39	3,893,250.35	

Underwriting and Issuance

Under the County of Riverside Tax Allocation Bond Refunding Program the Successor Agency's Bonds will be sold to the Riverside County Public Financing Authority, a joint powers authority formed pursuant to the Marks-Roos Local Bond Pooling Act (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). The Authority will simultaneously issue its Tax Allocation Revenue Bonds to fund the purchase of the Agency's Bonds. Those bonds will be purchased on a negotiated basis. (The underwriting team was selected via a competitive RFP process.) This is a common structure and has been used in the past for the County Redevelopment Agency's own project area bond issues. There has been strong market acceptance in the past for this structure and over \$650 million in Riverside County Tax Allocation Bonds have been issued this way.

Process and Timing

. The Authority will take action following the receipt of approval from the Department of Finance. Assuming timely approvals from all agencies including the State Department of Finance, the Successor Agency and the Authority anticipate issuing the Refunding Bonds in October of 2014.

Allocation of Savings

It is expected that reductions in annual debt service will be allocated by the County Auditor to the appropriate taxing entities semiannually as part of the tax apportionment and ROPS processes. The primary beneficiaries are school and community college districts with approximately 60% of the savings. The County will receive approximately 29% of the annual savings (General, Structural Fire and Library Funds) with the remainder distributed to cities and special districts. (See attached summary.)

Compliance with AB 1484

Based upon the current projected results the Refunding Bonds would easily meet the tests imposed by AB 1484. The total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds does not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance. In fact, the projected savings on a present value basis for all three series are well in excess of the generally accepted 3% target and the refunding will provide approximately \$3.8 million in additional tax revenue to the participating taxing entities.



The Successor Agency has made diligent efforts to ensure that the lowest long-term cost financing is obtained. These efforts include selecting its consultants via an RFP process and selecting a bond structure which is expected to carry the lowest interest cost. The Successor Agency has utilized an independent financial advisor in developing financing proposals and work products of the financial advisor in addition to this memorandum are available to the Department of Finance at its request.

Attachments: Bond sizing, debt service schedules and savings allocation schedule.



Attachment 1 – Savings Allocation

Residual Allocation Factors for Taxing Entities in County EDA Project Areas

<u>Fund ID</u>	<u>Fund Name</u>	<u>Share</u>
01-1001	GENERAL	0.21152981
01-1121	COUNTY FREE LIBRARY	0.02336083
01-1123	COUNTY STRUCTURE FIRE PROTECTION	0.06295123
02-2152	CITY OF BLYTHE ANX	0.00047799
02-2252	CITY OF COACHELLA ANX	0.00002460
02-2301	CITY OF CORONA	0.00839349
02-2321	CITY OF DESERT HOT SPRINGS	0.00019484
02-2375	CITY OF LA QUINTA	0.01729824
02-2407	CITY OF HEMET	0.00091476
02-2495	CITY OF MURRIETA	0.00061343
02-2498	CITY OF MURRIETA LIBRARY	0.00014062
02-2580	CITY OF PALM DESERT	0.00040621
02-2601	CITY OF PALM SPRINGS	0.00069522
02-2701	CITY OF RIVERSIDE	0.01073977
02-3100	CITY OF MENIFEE	0.00430943
02-3110	CITY OF MENIFEE FIRE PROTECTION	0.00448266
02-3200	CITY OF WILDOMAR	0.00101381
02-3210	CITY OF WILDOMAR FIRE PROTECTIO	0.00058810
02-3400	CITY OF EASTVALE	0.00216619
02-3410	CITY OF EASTVALE FIRE PROTECTIO	0.00562423
02-3500	CITY OF JURUPA VALLEY	0.02513357
03-0009	SAN BERNARDINO VAL COM COLLEGE - PTR	0.00003279
03-0018	COLTON JOINT UNIFIED SCHOOL - PTR	0.00000436
03-0801	BANNING UNIFIED SCHOOL - PTR	0.01527363
03-1601	COACHELLA VALLEY UNIFIED SCHOOL -PTR	0.09886181
03-1701	CORONA NORCO UNIFIED SCHOOL - PTR	0.04610018
03-2001	DESERT SANDS UNIFIED SCHOOL - PTR	0.00363834
03-2201	DESERT CENTER UNIFIED - PTR	0.00015484
03-2301	LAKE ELSINORE UNIFIED - PTR	0.01099686
03-3201	HEMET UNIFIED SCHOOL - PTR	0.00581063
03-3601	JURUPA UNIFIED SCHOOL - PTR	0.17301931
03-4501	MURRIETA UNIFIED - PTR	0.00236754
03-4701	NUVIEW SCHOOL - PTR	0.00017690
03-5101	PALM SPRINGS UNIFIED SCHOOL - PTR	0.02622428
03-5301	PALO VERDE UNIFIED SCHOOL - PTR	0.00234829
03-5401	PALO VERDE COMMUNITY COLLEGE - PTR	0.00048494
03-5701	PERRIS SCHOOL - PTR	0.00024738
03-5801	RIVERSIDE UNIFIED SCHOOL - PTR	0.03081675

03-6101	ROMOLAND SCHOOL - PTR	0.00284111
03-6501	TEMECULA UNIFIED - PTR	0.00147024
03-8001	VAL VERDE UNIF - PTR	0.01364782
03-8601	PERRIS UNION HIGH SCHOOL - PTR	0.01862694
03-9001	DESERT COMMUNITY COLLEGE - PTR	0.02442710
03-9101	RIVERSIDE CITY COMMUNITY COLLEGE - PTR	0.03557698
03-9201	MT SAN JACINTO JUNIOR COLLEGE - PTR	0.00815128
03-9830	ELSINORE AREA ELEM SCHOOL FUND - PTR	0.00294685
03-9831	PERRIS AREA ELEM SCHOOL FUND - PTR	0.01483196
03-9832	PERRIS JR HIGH AREA FUND - PTR	0.01208622
03-9896	RIV. CO. OFFICE OF EDUCATION - PTR	0.04801379
04-1110	RIV CO REG PARK & OPEN SPACE	0.00435846
04-1362	FLOOD CONTROL ZONE 2	0.00363801
04-1363	FLOOD CONTROL ZONE 3	0.00133340
04-1366	FLOOD CONTROL ZONE 6	0.00163540
04-1724	COUNTY SERVICE AREA 22	0.00001033
04-1788	COUNTY SERVICE AREA 80	0.00020429
04-1792	SERVICE AREA # 84 - MENIFEE	0.00001983
04-1793	COUNTY SERVICE AREA 84	0.00004977
04-1794	COUNTY SERVICE AREA 85	0.00000000
04-1798	SERVICE AREA # 86 -MENIFEE	0.00004666
04-4018	ELSINORE VALLEY CEMETERY	0.00019762
04-4047	WILDOMAR CEMETERY	0.00008471
04-4157	JURUPA COMM SERV IMP 2	0.00107186
04-4158	JURUPA COMM SERV IMP 3	0.00116568
04-4365	DESERT HOSPITAL	0.00074766
04-4631	COUNTY ORTEGA TRAIL REC & PR	0.00031130
04-4851	MISSION SPRINGS WATER DISTRICT	0.00071281
04-4893	WEST VALLEY WATER	0.00000840
04-4917	RUBIDOUX COMM SERV DEBT SERVICE	0.00000237
04-5131	DESERT WATER AGENCY 1ST FRINGE	0.00075472
04-5142	DESERT WTR 6TH FRINGE PSEUDO	0.00000081
04-5491	EASTERN MUN WTR IMP DIST U-1	0.00004434
04-5494	EASTERN MUN WTR IMP DIST U-4	0.00001090
04-5496	EASTERN MUN WTR IMP DIST U-6	0.00002606
04-5501	ELSINORE VALLEY MUNICIPAL WATER	0.00313745
04-5711	WESTERN MUN WATER 1ST FRINGE	0.00000080
28-4736	RIVERSIDE CORONA RESOURCE CONSE	0.00011354
28-5260	LEE LAKE WATER	<u>0.00007467</u>
Total		1.00000000

Source: County of Riverside ACO, January 2014 Residual Allocation



Bond Sizing, Debt Service and Savings Schedules



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Riverside County RDA
Refunding of Riverside Co RDA - Series 2004A - Housing
2014 Tax Allocation Refunding Bonds
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014

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SOURCES AND USES OF FUNDS

Riverside County RDA
Refunding of Riverside Co RDA - Series 2004A - Housing
2014 Tax Allocation Refunding Bonds
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014

Sources:

Bond Proceeds:	
Par Amount	36,010,000.00
Premium	3,314,680.90
	<hr/>
	39,324,680.90

Other Sources of Funds:	
Bond Fund	940,060.76
	<hr/>
	40,264,741.66

Uses:

Refunding Escrow Deposits:	
Cash Deposit	39,170,312.50

Delivery Date Expenses:	
Cost of Issuance	250,000.00
Underwriter's Discount	195,917.01
Bond Insurance	532,286.26
Surety Policy	115,700.43
	<hr/>
	1,093,903.70

Other Uses of Funds:	
Additional Proceeds	525.46
	<hr/>
	40,264,741.66

Notes:

Assumes underlying A- ratings
Assumes new indentures with insurance (@ 75 bps of debt service) and surety (@ 3% of requirement)
Refundings select all candidates with at least 3.0% NPV Savings
Assumes 9/30/14 closing

BOND PRICING

Riverside County RDA
 Refunding of Riverside Co RDA - Series 2004A - Housing
 2014 Tax Allocation Refunding Bonds
 *** Preliminary - Subject to Change ***
 Rates as of May 19, 2014

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Tax-Exempt A- Serial Bonds:									
	10/01/2028	1,720,000	5.000%	3.470%	112.837 C	3.809%	10/01/2024	100.000	220,796.40
	10/01/2029	2,605,000	5.000%	3.560%	112.029 C	3.931%	10/01/2024	100.000	313,355.45
	10/01/2030	2,735,000	5.000%	3.630%	111.405 C	4.026%	10/01/2024	100.000	311,926.75
	10/01/2031	2,875,000	5.000%	3.700%	110.786 C	4.112%	10/01/2024	100.000	310,097.50
	10/01/2032	3,020,000	5.000%	3.770%	110.170 C	4.190%	10/01/2024	100.000	307,134.00
	10/01/2033	3,165,000	5.000%	3.840%	109.559 C	4.261%	10/01/2024	100.000	302,542.35
	10/01/2034	4,615,000	5.000%	3.900%	109.038 C	4.321%	10/01/2024	100.000	417,103.70
		<u>20,735,000</u>							<u>2,182,956.15</u>
Tax-Exempt A- Term in 2039:									
	10/01/2035	4,845,000	5.000%	4.090%	107.409 C	4.503%	10/01/2024	100.000	358,966.05
	10/01/2036	5,090,000	5.000%	4.090%	107.409 C	4.503%	10/01/2024	100.000	377,118.10
	10/01/2037	5,340,000	5.000%	4.090%	107.409 C	4.503%	10/01/2024	100.000	395,640.60
	10/01/2039	-	5.000%	4.090%	107.409 C	4.503%	10/01/2024	100.000	-
		<u>15,275,000</u>							<u>1,131,724.75</u>
		36,010,000							3,314,680.90

Dated Date	09/30/2014
Delivery Date	09/30/2014
First Coupon	04/01/2015
Par Amount	36,010,000.00
Premium	3,314,680.90
Production	39,324,680.90
Underwriter's Discount	-195,917.01
Purchase Price	39,128,763.89
Accrued Interest	-
Net Proceeds	39,128,763.89

BOND SUMMARY STATISTICS

Riverside County RDA
 Refunding of Riverside Co RDA - Series 2004A - Housing
 2014 Tax Allocation Refunding Bonds
 *** Preliminary - Subject to Change ***
 Rates as of May 19, 2014

Dated Date	09/30/2014
Delivery Date	09/30/2014
Last Maturity	10/01/2037
Arbitrage Yield	4.052709%
True Interest Cost (TIC)	4.332176%
Net Interest Cost (NIC)	4.553972%
All-In TIC	4.516948%
Average Coupon	5.000000%
Average Life (years)	19.418
Duration of Issue (years)	12.887
Par Amount	36,010,000.00
Bond Proceeds	39,324,680.90
Total Interest	34,961,501.39
Net Interest	31,842,737.50
Total Debt Service	70,971,501.39
Maximum Annual Debt Service	5,611,500.00
Average Annual Debt Service	3,085,344.83
Underwriter's Fees (per \$1000)	
Average Takedown	4.000000
Management Fee	0.750000
Other Fee	0.690628
Total Underwriter's Discount	5.440628
Bid Price	108.660827

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Tax-Exempt A- Serial Bonds	20,735,000.00	110.528	5.000%	17.489	18,153.10
Tax-Exempt A- Term in 2039	15,275,000.00	107.409	5.000%	22.035	12,983.75
	36,010,000.00			19.418	31,136.85

	TIC	All-In TIC	Arbitrage Yield
Par Value	36,010,000.00	36,010,000.00	36,010,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	3,314,680.90	3,314,680.90	3,314,680.90
- Underwriter's Discount	-195,917.01	-195,917.01	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts		-647,986.69	-532,286.26
Target Value	39,128,763.89	38,230,777.20	38,792,394.64
Target Date	09/30/2014	09/30/2014	09/30/2014
Yield	4.332176%	4.516948%	4.052709%

SUMMARY OF REFUNDING RESULTS

Riverside County RDA
Refunding of Riverside Co RDA - Series 2004A - Housing
2014 Tax Allocation Refunding Bonds
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014

Dated Date	09/30/2014
Delivery Date	09/30/2014
Arbitrage yield	4.052709%
Escrow yield	-
Value of Negative Arbitrage	-
Bond Par Amount	36,010,000.00
True Interest Cost	4.332176%
Net Interest Cost	4.553972%
All-In TIC	4.516948%
Average Coupon	5.000000%
Average Life	19.418
Par amount of refunded bonds	38,225,000.00
Average coupon of refunded bonds	4.945462%
Average life of refunded bonds	19.382
PV of prior debt to 09/30/2014 @ 4.052709%	43,691,781.35
Net PV Savings	2,211,182.95
Percentage savings of refunded bonds	5.784651%
Percentage savings of refunding bonds	6.140469%

SAVINGS

Riverside County RDA
 Refunding of Riverside Co RDA - Series 2004A - Housing
 2014 Tax Allocation Refunding Bonds
 *** Preliminary - Subject to Change ***
 Rates as of May 19, 2014

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 09/30/2014 @ 4.0527090%
10/01/2014	945,312.50	940,060.76	5,251.74	-	5,251.74	5,146.39
10/01/2015	1,890,625.00	-	1,890,625.00	1,805,501.39	85,123.61	82,546.55
10/01/2016	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	84,008.93
10/01/2017	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	80,705.05
10/01/2018	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	77,531.10
10/01/2019	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	74,481.98
10/01/2020	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	71,552.77
10/01/2021	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	68,738.77
10/01/2022	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	66,035.43
10/01/2023	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	63,438.41
10/01/2024	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	60,943.52
10/01/2025	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	58,546.75
10/01/2026	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	56,244.24
10/01/2027	1,890,625.00	-	1,890,625.00	1,800,500.00	90,125.00	54,032.28
10/01/2028	3,795,625.00	-	3,795,625.00	3,520,500.00	275,125.00	157,388.98
10/01/2029	4,590,375.00	-	4,590,375.00	4,319,500.00	270,875.00	148,819.97
10/01/2030	4,590,625.00	-	4,590,625.00	4,319,250.00	271,375.00	143,179.68
10/01/2031	4,593,875.00	-	4,593,875.00	4,322,500.00	271,375.00	137,497.53
10/01/2032	4,594,625.00	-	4,594,625.00	4,323,750.00	270,875.00	131,795.59
10/01/2033	4,592,625.00	-	4,592,625.00	4,317,750.00	274,875.00	128,426.50
10/01/2034	5,881,125.00	-	5,881,125.00	5,609,500.00	271,625.00	121,904.42
10/01/2035	5,880,750.00	-	5,880,750.00	5,608,750.00	272,000.00	117,273.30
10/01/2036	5,881,750.00	-	5,881,750.00	5,611,500.00	270,250.00	111,888.12
10/01/2037	5,880,000.00	-	5,880,000.00	5,607,000.00	273,000.00	108,531.23
	75,804,812.50	940,060.76	74,864,751.74	70,971,501.39	3,893,250.35	2,210,657.49

Savings Summary

PV of savings from cash flow	2,210,657.49
Plus: Refunding funds on hand	525.46
Net PV Savings	2,211,182.95

BOND DEBT SERVICE

Riverside County RDA
 Refunding of Riverside Co RDA - Series 2004A - Housing
 2014 Tax Allocation Refunding Bonds
 *** Preliminary - Subject to Change ***
 Rates as of May 19, 2014

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2015	-	-	1,805,501.39	1,805,501.39
10/01/2016	-	-	1,800,500.00	1,800,500.00
10/01/2017	-	-	1,800,500.00	1,800,500.00
10/01/2018	-	-	1,800,500.00	1,800,500.00
10/01/2019	-	-	1,800,500.00	1,800,500.00
10/01/2020	-	-	1,800,500.00	1,800,500.00
10/01/2021	-	-	1,800,500.00	1,800,500.00
10/01/2022	-	-	1,800,500.00	1,800,500.00
10/01/2023	-	-	1,800,500.00	1,800,500.00
10/01/2024	-	-	1,800,500.00	1,800,500.00
10/01/2025	-	-	1,800,500.00	1,800,500.00
10/01/2026	-	-	1,800,500.00	1,800,500.00
10/01/2027	-	-	1,800,500.00	1,800,500.00
10/01/2028	1,720,000	5.000%	1,800,500.00	3,520,500.00
10/01/2029	2,605,000	5.000%	1,714,500.00	4,319,500.00
10/01/2030	2,735,000	5.000%	1,584,250.00	4,319,250.00
10/01/2031	2,875,000	5.000%	1,447,500.00	4,322,500.00
10/01/2032	3,020,000	5.000%	1,303,750.00	4,323,750.00
10/01/2033	3,165,000	5.000%	1,152,750.00	4,317,750.00
10/01/2034	4,615,000	5.000%	994,500.00	5,609,500.00
10/01/2035	4,845,000	5.000%	763,750.00	5,608,750.00
10/01/2036	5,090,000	5.000%	521,500.00	5,611,500.00
10/01/2037	5,340,000	5.000%	267,000.00	5,607,000.00
	36,010,000		34,961,501.39	70,971,501.39

SUMMARY OF BONDS REFUNDED

Riverside County RDA
Refunding of Riverside Co RDA - Series 2004A - Housing
2014 Tax Allocation Refunding Bonds

*** Preliminary - Subject to Change ***

Rates as of May 19, 2014

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Riverside Co RDA - Series 2004A - Housing:					
TERM	10/01/2029	5.000%	4,700,000.00	10/01/2014	100.000
TERM02	10/01/2032	5.000%	9,260,000.00	10/01/2014	100.000
TERM03	10/01/2034	4.750%	8,250,000.00	10/01/2014	100.000
TERM04	10/01/2037	5.000%	16,015,000.00	10/01/2014	100.000
			38,225,000.00		

PRIOR BOND DEBT SERVICE

Riverside County RDA
 Refunding of Riverside Co RDA - Series 2004A - Housing
 2014 Tax Allocation Refunding Bonds
 *** Preliminary - Subject to Change ***
 Rates as of May 19, 2014

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2014	-	-	945,312.50	945,312.50
10/01/2015	-	-	1,890,625.00	1,890,625.00
10/01/2016	-	-	1,890,625.00	1,890,625.00
10/01/2017	-	-	1,890,625.00	1,890,625.00
10/01/2018	-	-	1,890,625.00	1,890,625.00
10/01/2019	-	-	1,890,625.00	1,890,625.00
10/01/2020	-	-	1,890,625.00	1,890,625.00
10/01/2021	-	-	1,890,625.00	1,890,625.00
10/01/2022	-	-	1,890,625.00	1,890,625.00
10/01/2023	-	-	1,890,625.00	1,890,625.00
10/01/2024	-	-	1,890,625.00	1,890,625.00
10/01/2025	-	-	1,890,625.00	1,890,625.00
10/01/2026	-	-	1,890,625.00	1,890,625.00
10/01/2027	-	-	1,890,625.00	1,890,625.00
10/01/2028	1,905,000	5.000%	1,890,625.00	3,795,625.00
10/01/2029	2,795,000	5.000%	1,795,375.00	4,590,375.00
10/01/2030	2,935,000	5.000%	1,655,625.00	4,590,625.00
10/01/2031	3,085,000	5.000%	1,508,875.00	4,593,875.00
10/01/2032	3,240,000	5.000%	1,354,625.00	4,594,625.00
10/01/2033	3,400,000	4.750%	1,192,625.00	4,592,625.00
10/01/2034	4,850,000	4.750%	1,031,125.00	5,881,125.00
10/01/2035	5,080,000	5.000%	800,750.00	5,880,750.00
10/01/2036	5,335,000	5.000%	546,750.00	5,881,750.00
10/01/2037	5,600,000	5.000%	280,000.00	5,880,000.00
	38,225,000		37,579,812.50	75,804,812.50

ESCROW REQUIREMENTS

Riverside County RDA
Refunding of Riverside Co RDA - Series 2004A - Housing
2014 Tax Allocation Refunding Bonds
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014

Period Ending	Interest	Principal Redeemed	Total
10/01/2014	945,312.50	38,225,000.00	39,170,312.50
	945,312.50	38,225,000.00	39,170,312.50

ESCROW COST

Riverside County RDA
Refunding of Riverside Co RDA - Series 2004A - Housing
2014 Tax Allocation Refunding Bonds
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
09/30/2014	-	39,170,312.50	39,170,312.50
	0	39,170,312.50	39,170,312.50

ESCROW SUFFICIENCY

Riverside County RDA
Refunding of Riverside Co RDA - Series 2004A - Housing
2014 Tax Allocation Refunding Bonds
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
09/30/2014	-	39,170,312.50	39,170,312.50	39,170,312.50
10/01/2014	39,170,312.50	-	-39,170,312.50	-
	39,170,312.50	39,170,312.50	0.00	

ESCROW STATISTICS

Riverside County RDA
 Refunding of Riverside Co RDA - Series 2004A - Housing
 2014 Tax Allocation Refunding Bonds
 *** Preliminary - Subject to Change ***
 Rates as of May 19, 2014

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow: 39,170,312.50	-	-	-	39,165,947.22	-	4,365.28
39,170,312.50				39,165,947.22	0.00	4,365.28

Delivery date 09/30/2014
 Arbitrage yield 4.052709%

AGGREGATE DEBT SERVICE

Riverside County RDA
Refunding of Riverside Co RDA - Series 2004A - Housing
2014 Tax Allocation Refunding Bonds
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014

Period Ending	Refunding of Riverside Co RDA - Series 2004A - Housing	Aggregate Debt Service
10/01/2015	1,805,501.39	1,805,501.39
10/01/2016	1,800,500.00	1,800,500.00
10/01/2017	1,800,500.00	1,800,500.00
10/01/2018	1,800,500.00	1,800,500.00
10/01/2019	1,800,500.00	1,800,500.00
10/01/2020	1,800,500.00	1,800,500.00
10/01/2021	1,800,500.00	1,800,500.00
10/01/2022	1,800,500.00	1,800,500.00
10/01/2023	1,800,500.00	1,800,500.00
10/01/2024	1,800,500.00	1,800,500.00
10/01/2025	1,800,500.00	1,800,500.00
10/01/2026	1,800,500.00	1,800,500.00
10/01/2027	1,800,500.00	1,800,500.00
10/01/2028	3,520,500.00	3,520,500.00
10/01/2029	4,319,500.00	4,319,500.00
10/01/2030	4,319,250.00	4,319,250.00
10/01/2031	4,322,500.00	4,322,500.00
10/01/2032	4,323,750.00	4,323,750.00
10/01/2033	4,317,750.00	4,317,750.00
10/01/2034	5,609,500.00	5,609,500.00
10/01/2035	5,608,750.00	5,608,750.00
10/01/2036	5,611,500.00	5,611,500.00
10/01/2037	5,607,000.00	5,607,000.00
	70,971,501.39	70,971,501.39

DISCLAIMER

Riverside County RDA
Refunding of Riverside Co RDA - Series 2004A - Housing
2014 Tax Allocation Refunding Bonds
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014

Any terms set forth herein are intended for discussion purposes only and are subject to the final terms as set forth in separate definitive written agreements. This presentation is not a commitment to lend, syndicate a financing, underwrite or purchase securities, or commit capital nor does it obligate us to enter into such a commitment, nor are we acting as a fiduciary to you. By accepting this presentation, subject to applicable law or regulation, you agree to keep confidential the existence of and proposed terms for any transaction contemplated hereby (a 'Transaction').

Prior to entering into any Transaction, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such Transaction. In this regard, by accepting this presentation, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any Transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any Transaction) and our disclaimer as to these matters. By acceptance of these materials, you and we hereby agree that from the commencement of discussions with respect to any Transaction, and notwithstanding any other provision in this presentation, we hereby confirm that no participant in any Transaction shall be limited from disclosing the U.S. tax treatment or U.S. tax structure of such Transaction.

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We are required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with us. We will ask for your complete name, street address, and taxpayer ID number. We may also request corporate formation documents, or other forms of identification, to verify information provided.

Any prices or levels contained herein are preliminary and indicative only and do not represent bids or offers. These indications are provided solely for your information and consideration, are subject to change at any time without notice and are not intended as a solicitation with respect to the purchase or sale of any instrument. The information contained in this presentation may include results of analyses from a quantitative model which represent potential future events that may or may not be realized, and is not a complete analysis of every material fact representing any product. Any estimates included herein constitute our judgment as of the date hereof and are subject to change without any notice. We and/or our affiliates may make a market in these instruments for our customers and for our own account. Accordingly, we may have a position in any such instrument at any time.

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The extension of commercial loans or other products or services to you by Citibank, N.A. ('Citibank') or any of its subsidiaries will not be conditioned on your taking other products or services offered by Citibank or any of its subsidiaries or affiliates, unless such a condition is permitted under an exception to the Anti-tying Rules.

We will not vary the price or other terms of any product or service offered by Citibank or its subsidiaries on the condition that you purchase another product or service from Citibank or any Citi affiliate, unless we are authorized to do so under an exception to the Anti-tying Rules.

We will not require you to provide property or services to Citibank or any affiliate of Citibank as a condition to the extension of a commercial loan to you by Citibank or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan.

We will not require you to refrain from doing business with a competitor of Citi or any of its affiliates as a condition to receiving a commercial loan from Citibank or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the loan.

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DISCLAIMER

Riverside County RDA
Refunding of Riverside Co RDA - Series 2004A - Housing
2014 Tax Allocation Refunding Bonds
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014

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§ _____
**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
2014 TAX ALLOCATION HOUSING REFUNDING BONDS, SERIES A**

BOND PURCHASE AGREEMENT

_____, 2014

Successor Agency to the Redevelopment Agency
for the County of Riverside
c/o Riverside County Economic Development Agency
P.O. Box 1180
Riverside, California 92502

Ladies and Gentlemen:

Citigroup Global Markets Inc., acting on behalf of itself and as representative (the "Representative") of RBC Capital Markets, LLC (collectively, the "Underwriters"), offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the Successor Agency to the Redevelopment Agency for the County of Riverside (the "Agency") which will be binding upon the Agency and the Underwriters upon the acceptance hereof by the Agency. This offer is made subject to its acceptance by the Agency by execution of this Purchase Agreement and its delivery to the Representative on or before 5:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

The Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's length commercial transaction between the Agency and the Representative; (ii) in connection with such transaction, the Representative is acting solely as a principal and not as an agent or a fiduciary of the Agency; (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the Agency with respect to: (x) the Representative has not assumed an advisory or fiduciary responsibility in favor of the Agency with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Representative has provided other services or are currently providing other services to the Agency on other matters); and; and (iv) the Agency has consulted with its own legal and financial advisors to the extent it has deemed appropriate.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriters hereby agree to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the \$ _____ aggregate principal amount of the Agency's 2014 Tax Allocation Housing Refunding Bonds, Series A (the "Bonds"), at a purchase price equal to \$ _____ (being the aggregate principal amount thereof, less an Underwriter's discount of \$ _____ and less a net original issue discount of \$ _____). The Bonds are to be purchased by the Underwriters from the Agency. Such payment and delivery and the

other actions contemplated hereby to take place at the time of such payment and delivery are herein sometimes called the "Closing."

2. The Bonds and Related Documents. The Bonds shall be substantially in the form described in, and shall be issued and secured under the provisions of an Indenture of Trust, dated as of December 1, 2004, by and between the Redevelopment Agency for the County of Riverside (the "Former Agency") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as subsequently amended and amended (as amended and supplemented, the "Prior Indenture"), and as further amended and supplemented by the Fifth Supplemental Indenture (the "Fifth Supplemental Indenture" and together with the Prior Indenture, the "Indenture") dated _____ 1, 2014, by and between the Agency (as successor-in-interest to the Former Agency) and the Trustee, pursuant Part 1, Division 24 of the California Health and Safety Code (the "Law") and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act") and a resolution of the Agency adopted _____ 1, 2014 (the "Agency Resolution"). The issuance of the Bonds was approved by the Oversight Board for the Successor Agency by resolution on _____, 2014 (the "Oversight Board Resolution"). The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriters, is hereinafter called the "Official Statement").

The net proceeds of the Bonds will be used to purchase all or a portion of the Former Agency's outstanding 2004 Tax Allocation Housing Bonds, Series A (the "Prior Bonds"), originally issued in the aggregate principal amount of \$38,225,000.

The Agency will undertake pursuant to the provisions of a Continuing Disclosure Certificate, to be dated the date of the Closing (the "Disclosure Certificate") and executed by the Agency, to provide certain annual information and notices of the occurrence of certain events, if material. A description of the undertaking is set forth in the Preliminary Official Statement (as defined below) and will also be set forth in the Official Statement.

The Fifth Supplemental Indenture, the Continuing Disclosure Certificate, the Irrevocable Refunding Instructions to The Bank of New York Mellon Trust Company, N.A., as trustee for the Prior Bonds (the "Refunding Instructions"), and this Purchase Agreement are sometimes collectively referred to herein as the "Agency Legal Documents".

3. Offering. It shall be a condition to the Agency's obligations to sell and to deliver the Bonds to the Underwriters and to the Underwriters' obligations to purchase, to accept delivery of and to pay for the Bonds that the entire \$ _____ aggregate principal amount of the Bonds shall be issued, sold and delivered by the Agency and purchased, accepted and paid for by the Underwriters at the Closing. The Underwriters agree to make a bona fide public offering of all of the Bonds at the initial public offering prices or yields set forth in Exhibit A hereto and on the inside front cover page of the Official Statement. The Underwriters reserve the right to change, subsequent to the initial public offering, such initial offering prices as it shall deem necessary in connection with the marketing of the Bonds.

4. Use and Preparation of Documents. The Agency has caused to be prepared and delivered to the Underwriters prior to the execution of this Purchase Agreement copies of the Preliminary Official Statement dated _____, 2014, relating to the Bonds (the "Preliminary Official Statement"). The Agency ratifies, confirms and approves the use by the Underwriters prior

to the date hereof of the Preliminary Official Statement. The Agency has previously deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for information permitted to be omitted therefrom by Rule 15c2-12. The Agency hereby agrees to deliver or cause to be delivered to the Underwriters, within seven (7) business days of the date hereof, but not less than one (1) business day prior to Closing a sufficient number of copies of the final Official Statement relating to the Bonds, dated the date hereof, which includes all information permitted to be omitted by Rule 15c2-12 and any amendments or supplements to such Official Statement as have been approved by the Agency and the Underwriters (the "Official Statement") to enable the Underwriters to distribute a single copy of each Official Statement to any potential customer of the Underwriters requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending 25 days after the End of the Underwriting Period (defined below). The Agency hereby approves of the use and distribution (including the electronic distribution) by the Underwriters of the Preliminary Official Statement and the Official Statement in connection with the offer and sale of the Bonds. The Agency shall have executed and delivered to the Underwriters a certification to such effect in the form attached hereto as Appendix B. The Underwriters agree that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement.

5. Representations, Warranties and Agreements of the Agency. The Agency hereby represents, warrants and agrees as follows:

(a) The Agency is a public entity existing under the laws of the State of California, including the Law.

(b) The Agency has full legal right, power and authority to enter into the Agency Legal Documents and carry out and consummate the transactions contemplated by the Agency Legal Documents and the Indenture.

(c) By all necessary official action of the Agency prior to or concurrently with the acceptance hereof, the Agency has duly authorized and approved the preparation and use of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the Agency Legal Documents, and the performance by the Agency of all transactions contemplated by the Agency Legal Documents and the Indenture; and the Agency Legal Documents and the Indenture will constitute legal, valid and binding obligations of the Agency, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(d) The Agency is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture) or other instrument to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Agency Legal Documents, and compliance with the provisions on the Agency's part contained therein or in the Indenture, will not conflict with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture,

bond, note, resolution, agreement or other instrument to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Agency or under the terms of any such constitutional provision, law, regulation or instrument, except as provided by the Indenture.

(e) Except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Agency of its obligations under the Agency Legal Documents and Indenture have been duly obtained.

(f) Between the date of this Purchase Agreement and the date of the Closing, the Agency will not, without the prior written consent of the Underwriters, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, payable from Tax Revenues (as defined in the Indenture), nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Agency.

(g) To the best knowledge of the officer of the Agency executing this Purchase Agreement, after due inquiry, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, public board or body, pending or threatened against the Agency, affecting the existence of the Agency or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Indenture or the collection of the Tax Revenues or contesting or affecting, as to the Agency, the validity or enforceability of the Agency Legal Documents or the Indenture or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Agency, or in any way contesting or challenging the consummation of the transactions contemplated hereby, or which might result in a material adverse change in the financial condition of the Agency or which might materially adversely affect the Tax Revenues of the Agency; nor, to the best knowledge of the Agency, is there any known basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the authorization, execution, delivery or performance by the Agency of the Agency Legal Documents or the Indenture.

(h) As of the time of acceptance hereof and as of the date of the Closing, the Agency does not and will not have outstanding any indebtedness which indebtedness is secured by a lien on the Tax Revenues of the Agency superior to or on a parity with the lien provided for in the Indenture on the Tax Revenues, other than as disclosed in the Official Statement. As of the time of acceptance hereof and as of the date of the Closing, the Agency does not and will not have outstanding any indebtedness which indebtedness is payable prior to the Agency Bonds from Tax Revenues.

(i) As of the time of acceptance hereof and as of the date of the Closing, the Agency has complied with the filing requirements of the Law, including, without limitation, the filing of all Recognized Obligation Payment Schedules, as required by the Law.

(j) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

(k) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the Bonds, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made not misleading.

(l) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information herein, in the light of the circumstances under which it was presented, not misleading, the Agency will notify the Underwriters, and, if in the opinion of the Underwriters or the Agency, or respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Agency will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriters, and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date which is 25 days of the End of the Underwriting Period for the Bonds, the Agency will furnish such information with respect to itself as the Underwriters may from time to time reasonably request. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Agency delivers the Bonds to the Underwriters; or (ii) the Underwrites do not retain, directly or as members of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriters give notice to the contrary, the "End of the Underwriting Period" shall be the date of Closing.

(m) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (l) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading.

(n) After the Closing, the Agency will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriters shall reasonably object in writing or which shall be disapproved by counsel for the Underwriters.

(o) Any certificate signed by any officer of the Agency and delivered to the Underwriters shall be deemed a representation by the Agency to the Underwriters as to the statements made therein.

(p) The Agency will apply the proceeds from the sale of the Bonds for the purposes specified in the Official Statement.

(q) The Agency has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Agency is not a bond issuer whose arbitrage certifications may not be relied upon.

(r) The Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, at the expense of the Underwriter, as it may reasonably request in order to qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; provided, however, that the Agency will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(s) The Agency will refrain from taking any action with regard to which the Agency may exercise control that results in the inclusion in gross income for federal income tax purposes of the interest on the Bonds or State of California income tax purposes of the interest on the Bonds.

(t) Except as disclosed in the Official Statement, the Agency has not defaulted under any prior continuing disclosure undertaking.

(u) The Oversight Board has duly adopted the Oversight Board Resolution approving the issuance of the Bonds and no further Oversight Board approval or consent is required for the issuing of the Bonds or the consummation of the transactions described in the Preliminary Official Statement.

(v) The Department of Finance of the State (the "Department of Finance") has issued a letter, dated _____, 2014, approving the issuance of the bonds. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. Except as disclosed in the Preliminary Official Statement, the Agency is not aware of the Department of Finance directing or having any basis to direct the County Auditor-Controller to deduct unpaid unencumbered funds from future allocations of property tax to the Agency pursuant to Section 34183 of the Dissolution Act.

6. Closing. At 8:00 A.M., California time, on _____, 2014, or on such other date as may be mutually agreed upon by the Agency and the Underwriters, the Agency will, subject to the terms and conditions hereof, sell and deliver the Bonds to the Underwriters, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in federal funds. Sale, delivery and payment as aforesaid shall be made at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California, or such other place as shall have been mutually agreed upon by the Agency and the Underwriters, except that the Bonds (with one certificate for each maturity and otherwise in a form suitable for the book-entry system) shall be delivered to the Underwriters in New York, New York, through the book-entry system of The Depository Trust Company ("DTC"). Unless the DTC Fast Automated Securities Transfer ("FAST") is utilized, the Bonds will be made available for inspection by DTC at least one business day prior to the Closing.

7. Closing Conditions. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the Agency contained herein, and in reliance

upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Agency of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Agency of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The Underwriters shall receive, within seven (7) business days of the date hereof, but in no event less than 1 day prior to Closing, copies of the Official Statement (including all information previously permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriters), in such reasonable quantity as the Underwriters shall have requested;

(b) The representations and warranties of the Agency contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing and the statements of the officers and other officials of the Agency and the Trustee made in any certificate or other document furnished pursuant to the provisions hereof are accurate;

(c) At the time of the Closing, the Agency Legal Documents shall have been duly authorized, executed and delivered by the respective parties thereto, and the Official Statement shall have been duly authorized, executed and delivered by the Agency, all in substantially the forms heretofore submitted to the Underwriters, with only such changes as shall have been agreed to in writing by the Representative, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the governing body of the Agency as, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("Bond Counsel"), shall be necessary or appropriate in connection with the transactions contemplated hereby;

(d) At the time of the Closing, all necessary official action of the Agency relating to the Official Statement, the Agency Legal Documents and the Indenture shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(e) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) Bond Counsel Opinions. The approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the Agency, dated the date of the Closing and substantially in the form included as Appendix E to the Official Statement;

(2) Supplemental Opinion of Bond Counsel. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriters, in form and substance acceptable to the Underwriters, and dated the date of the Closing, stating that the Underwriters may rely on the opinions of Bond Counsel described in paragraph (1) above as if such opinion were addressed to the Underwriters and to the following effect:

(i) the Purchase Agreement has been duly executed and delivered by the Agency and (assuming due authorization, execution and delivery by and validity against the

Underwriters) constitutes the valid and binding agreement of the Agency, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and by the application of equitable principles;

(ii) the statements contained in the Official Statement under the captions ["THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS"] and in Appendices D and E insofar as such statements expressly summarize certain provisions of the Indenture, the Indenture or the opinion of Bond Counsel, are accurate in all material respects; and

(iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(3) Financial Advisor Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of _____, the Agency's Financial Advisor (the "Financial Advisor") addressed to the Underwriters and the Agency to the effect, that, in connection with the preparation of the Official Statement, nothing has come to the attention of the Financial Advisor that would lead it to believe that the statements and information contained in the Official Statement as of the date thereof and the date of the Closing, contains an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading;

(4) Agency Counsel Opinion. An opinion of Counsel to the Agency, dated the date of the Closing and addressed to the Underwriters, in form and substance acceptable to the Underwriters to the following effect:

(i) the Agency is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the State, including the Redevelopment Law, with full right, power and authority to execute, deliver and perform its obligations under the Agency Legal Documents and the Indenture;

(ii) the Agency Resolution was duly adopted at a meeting of the Agency, called and held pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout; and the Agency Resolution is in full force and effect and has not been modified amended or rescinded since their respective adoption date; and

(iii) The Agency Legal Documents have been duly authorized, executed and delivered by the Agency and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid, legal and binding obligations of the Agency enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought;

(iv) The execution and delivery of the Agency Legal Documents and the Official Statement and compliance with the provisions of the Agency Legal Documents and the Indenture, under the circumstances contemplated thereby, (1) do not and will not in any material respect conflict with or constitute on the part of the Agency a breach of or default under any agreement or other instrument to which the Agency is a party or by which it is bound, and (2) do not and will not in any material respect constitute on the part of the Agency a violation, breach of or

default under any existing law, regulation, court order or consent decree to which the Agency is subject;

(v) to the best of such counsel's knowledge, except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending and served, or threatened, challenging the creation, organization or existence of the Agency, or the validity of the Bonds, the Agency Legal Documents or the Indenture or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the Agency would have a material adverse effect upon the financial condition or the revenues of the Agency, or which, in any manner, questions the right of the Agency to issue, sell and deliver the Bonds, to enter into the Indenture or to use the Tax Revenues for repayment of the Bonds or affects in any manner the right or ability of the Agency to collect or pledge the Tax Revenues.

(5) Trustee Counsel Opinion. The opinion of counsel to the Trustee, dated the date of the Closing, addressed to the Underwriters, to the effect that:

(i) The Trustee is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into, accept and administer the trusts created under the Indenture and the Refunding Instructions.

(ii) The Indenture and the Refunding Instructions have been duly authorized, executed and delivered by the Trustee and the Indenture and the Refunding Instructions constitute the legal, valid and binding obligation of the Trustee, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

(iii) Except as may be required under Blue Sky or other securities laws of any state, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Indenture or the Refunding Instructions, or the consummation of the transactions contemplated by the Indenture and the Refunding Instructions.

(6) Agency Certificate. A certificate of the Agency, dated the date of the Closing, signed on behalf of the Agency by a duly authorized officer of the Agency, to the effect that:

(i) the representations and warranties of the Agency contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing;

(ii) no event affecting the Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(iii) No further consent is required to be obtained for the inclusion of the Agency's audited financial statements, including the accompanying accountant's letter, for Fiscal Year 2009/10 in the Official Statement.

(7) Trustee's Certificate. A Certificate, dated the date of Closing, to the effect that:

(i) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America;

(ii) the Trustee has full power, authority and legal right to comply with the terms of the Indenture and the Refunding Instructions and to perform its obligations stated therein; and

(iii) the Indenture and the Refunding Instructions have been duly authorized, executed and delivered by the Trustee and (assuming due authorization, execution and delivery by the Agency) constitute legal, valid and binding obligations of the Trustee in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(8) Rating Letter. A letter from Standard & Poor's Credit Ratings Services ("S&P") to the effect that the Bonds have been assigned a rating of "___", which rating shall be in effect as of the Delivery Date.

(9) Disclosure Letter. A letter of Best Best & Krieger LLP ("Disclosure Counsel"), dated the date of the Closing, addressed to the Underwriters, to the effect that, based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein and the information included in the Appendices thereto and information relating to DTC, as to which no advice need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(10) Fiscal Consultant Certificate. (I) A certificate of Urban Analytics, dated the date of the Closing, addressed to the Agency and the Underwriters, in form and substance acceptable to the Underwriters, certifying as to the accuracy of [APPENDIX H—"FISCAL CONSULTANT REPORT"] and the information in the Official Statement under the captions "_____" consenting to the inclusion of such firm's Fiscal Consultant Report in the Official Statement, and stating that to the best of such firm's knowledge, but without having conducted any investigation with respect thereto, nothing has come to such firm's attention between the date of such report and the date hereof which would materially alter any of the conclusions set forth in such report;

(11) Agency Legal Documents. Executed copies of this Purchase Agreement and the other Agency Legal Documents.

(12) Oversight Board Resolution. A copy of the Oversight Board Resolution.

(13) Oversight Board Certificate. A certificate of the Clerk of the Oversight Board to the effect that the Oversight Board Resolution was validly adopted, remains in full force and effect, and has not been amended, rescinded or otherwise modified since its date of adoption.

(14) Parity Certificate. A copy of the executed certificate of the Agency required to be delivered to the Trustee as a condition of the issuance of the Bonds as "Parity Debt" within the meaning of the Indenture.

(15) Additional Documents. Such additional certificates, instruments and other documents as Bond Counsel, the Agency or the Underwriters may reasonably deem necessary.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters.

If the Agency or the Trustee shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement, if the Agency shall determine in good faith (and provide written notice to the Underwriters) that legislation has been introduced or proposals made by the Governor of the State which if enacted and effective would impose additional limitations or burdens on the Agency or the County by reason of the issuance of the Bonds or which purport to prohibit the issuance of the Bonds, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and the Underwriters shall be under no further obligation hereunder.

8. Termination. The Underwriters shall have the right to terminate this Purchase Agreement, without liability therefor, by notification to the Agency if at any time between the date hereof and prior to the Closing:

(a) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(b) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriters, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any

ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the Agency, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(c) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriters, materially adversely affects the market price of the Bonds; or

(d) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Bonds; or

(f) a general banking moratorium shall have been established by federal or State authorities; or

(g) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak of hostilities or a national or international calamity or crisis, or there has occurred any escalation of existing hostilities, calamity or crisis, financial or otherwise, the effect of which on the financial markets of the United States being such as, in the reasonable opinion of the Underwriters, would affect materially and adversely the ability of the Underwriters to market the Bonds; or

(h) any rating of the Bonds shall have been downgraded, suspended or withdrawn by a national rating service, which, in the Underwriters' reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(i) the commencement of any action, suit or proceeding described in Section 5(g) hereof which, in the judgment of the Underwriters, materially adversely affects the market price of the Bonds; or

(j) there shall be in force a general suspension of trading on the New York Stock Exchange.

9. Expenses. The Agency will pay or cause to be paid the approved expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to, (a) the cost of the preparation and printing or other reproduction of the Agency Legal Documents (other than this Purchase Agreement); (b) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Financial Advisor, Fiscal Consultant and any other experts or other consultants retained by the Agency; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Preliminary Official Statement and Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; (g) the Underwriters' out-of-pocket expenses incurred with the financing; (h) the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure undertaking compliance review; and (i) expenses (included in the expense component of the spread) incurred on behalf of the County's or the Agency's employees which are incidental to implementing this Purchase Agreement. The Underwriters will pay the expenses of the preparation of this Purchase Agreement and all other expenses incurred by the Underwriters in connection with the public offering and distribution of the Bonds, and the fee and disbursements of Underwriters' Counsel. The Underwriters are required to pay the fees of the California Debt and Investment Advisory Commission in connection with the offering of the Bonds. The Agency acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider such fees. Notwithstanding that such fees are solely the legal obligation of the Underwriters, the Agency agrees to reimburse the Underwriters for such fees.

The Underwriters shall pay, and the Agency shall be under no obligation to pay, all expenses incurred by the Underwriters in connection with the public offering and distribution of the Bonds.

10. Notices. Any notice or other communication to be given to the Agency under this Purchase Agreement may be given by delivering the same in writing at the Agency's address set forth above; Attention: Executive Director, and to the Underwriters under this Purchase Agreement may be given by delivering the same in writing to Citigroup Global Markets Inc., 444 S. Flower Street, 27th Floor, Los Angeles, California 90071, Attention: Victor Andrade.

11. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Agency and the Underwriters and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the Agency contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Purchase Agreement; and (iii) any termination of this Purchase Agreement.

12. Effectiveness and Counterpart Signatures. This Purchase Agreement shall become effective upon the execution of the acceptance by an authorized officer of the Agency and shall be valid and enforceable at the time of such acceptance and approval. This Purchase Agreement may be executed by the parties hereto by facsimile transmission and in separate counterparts, each of which when so executed and delivered (including delivery by facsimile transmission) shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Headings. The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

14. Governing Law. This Purchase Agreement shall be construed in accordance with the laws of the State of California.

Very truly yours,

CITIGROUP GLOBAL MARKETS, INC., as
Representative of the Underwriters

By: _____
Its: Authorized Officer

Accepted:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE

By: _____
Finance Director

EXHIBIT A

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
2014 TAX ALLOCATION HOUSING REFUNDING BONDS, SERIES A**

<i>Maturity Date</i>	<i>Amount</i>	<i>Coupon</i>	<i>Yield</i>	<i>Price</i>
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APPENDIX B

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to Citigroup Global Markets Inc., on behalf of itself and RBC Capital Markets, LLC (together, the "Underwriters") that [he/she] is a duly appointed and acting officer of the Successor Agency to the Redevelopment Agency for the County of Riverside, and as such is to execute and deliver this Certificate and further hereby certify and reconfirm on behalf of the Agency to the Underwriters as follows:

(1) This Certificate is delivered to enable the Underwriters to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the Successor Agency to the Redevelopment Agency for the County of Riverside 2014 Tax Allocation Housing Refunding Bonds, Series A (the "Bonds").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated as of _____, 2014, setting forth information concerning the Bonds and the Agency, as issuer of the Bonds, and the Agency (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule and has been, and the information therein is accurate and complete in all material respects except for the Permitted Omissions.

(5) If, at any time prior to the execution of the final contract of purchase, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Agency shall promptly notify the Underwriters thereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of the __ day of _____, 2014.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY
OF RIVERSIDE

By _____
Authorized Officer