escrow fund from which amounts may not be released to the Agency unless the Housing Tax Revenues for the current Fiscal Year (as evidenced in the written records of the County) plus additional Revenues at least meets the coverage requirement for the issuance of Parity Debt.

In the event that the amount on deposit in the Reserve Account becomes less than the Reserve Requirement, the Trustee shall promptly notify the Agency of such fact. Promptly upon receipt of any such notice, the Agency shall transfer to the Trustee an amount of available Housing Tax Revenues sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. Amounts in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account, in such order of priority, on any date which the principal of or interest on the Bonds, including any parity Debt, becomes due and payable, in the event of any deficiency at any time in any of such accounts, or at any time for the retirement of all the Bonds or any Parity Debt then Outstanding. So long as no Event of Default has occurred and be continuing, any amount in the Reserve Account in excess of the Reserve Requirement preceding each Interest Payment Date shall be withdrawn from the Reserve Account by the Trustee and deposited in the respective Interest Accounts on or before the Interest Payment Date.

If the Agency at anytime in the future has cash on deposit in the Reserve Account, the Agency has the right at any time to request the release of funds by the Trustee from the Reserve Account, in whole or in part, by tendering all of the following to the Trustee:

(i) a Qualified Reserve Account Credit Instrument (as defined in the Indentures), and

(ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Series A Bonds to become includable in gross income for purposes of federal income taxation. See APPENDIX F-"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES – Deposit of Amounts by the Trustee – Reserve Account".

Tax Sharing Agreements and Statutory Tax Sharing

The Agency has entered into uniform tax-sharing agreements with taxing entities and school districts with respect to all of the Project Areas (the "**Tax Sharing Agreements**") . In addition, certain of the Project Areas are subject to the tax sharing provisions of AB 1290. Under Section 33607.5 and Section 33607.7 of the Law (added by AB 1290), any territory added to a project area after 1994 is required to share in tax increment revenues generated by such territory pursuant to a statutory formula ("**Statutory Tax Sharing**"). In addition, Statutory Tax Sharing is applicable upon certain other amendments to the Redevelopment Plans. However, Housing Tax Revenues are not impacted by the Tax Sharing Agreements or the Tax Sharing Statutes.

MUNICIPAL BOND INSURANCE

[To come if applicable]

THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE

Authority and Personnel

The Agency was established pursuant to the Redevelopment Law and was activated by the Board of Supervisors of the County (the "Board") on August 6, 1985, by Ordinance No. 612, at which time the Board declared itself to be the governing board (the "Board of Directors") of the Agency. The Agency is charged with the authority and responsibility of redeveloping and upgrading blighted areas of the County. The Agency is a separate public body and exercises governmental functions in planning and carrying out redevelopment projects. Subject to requirements and certain limitations in the Redevelopment Law, the Agency can build public improvements, facilitate the development of on and off-site improvements for private development projects, acquire and re-sell property, and provide services of special benefit to the Project Areas.

Members of the Agency and their terms of office are shown below:

Member	Term Expires
Bob A. Buster	January, 2013
John F. Tavaglione	January, 2011
Jeff Stone	January, 2013
John J. Benoit	January, 2011
Marion Ashley	January, 2011

Agency Administration

The Agency each year adopts an administrative budget. A portion of salaries and benefits of certain County staff members are budgeted and paid for by the Agency. The Agency funds administrative costs out of available revenues. Such reimbursement is subordinate to any outstanding bonded indebtedness of the Agency.

The Redevelopment Law requires redevelopment agencies to have an independent financial audit conducted each year. The financial audit is also required to include an opinion of the Agency's compliance with laws, regulations and administrative requirements governing activities of the Agency. The firm of Teaman, Ramirez & Smith, Certified Public Accountants, Riverside, California, prepared a financial statement for the Agency for the fiscal year ended June 30, 2009. The Agency's audited financial statements are public documents and are included within this official statement without the prior approval of the auditor. Accordingly, the auditor has not conducted any post audit of the financial condition of the Agency. See "APPENDIX D – AGENCY'S AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2008-09".

Budgetary Policies

The Board of Directors of the Agency each year approves a budget submitted by the Executive Director prior to the beginning of the new Fiscal Year. Public hearings are conducted prior to its adoption. The budget is subsequently adopted through the passage of a resolution. Budgets for all three fund types utilized by the Agency are adopted on a basis consistent with generally accepted accounting principles.

THE PROJECT AREAS

Redevelopment Plans

Under the Redevelopment Law a city or county that activates its redevelopment agency is permitted to adopt, by ordinance, a redevelopment plan for each redevelopment project area to be undertaken by the redevelopment agency. A redevelopment agency may only undertake those activities within a redevelopment project area specifically authorized in the adopted redevelopment plan. A redevelopment plan is a legal document, the content of which is largely prescribed in the Redevelopment Law, rather than a "plan" in the customary sense of the word.

The Redevelopment Plans for the Project Areas and sub-areas have two principal purposes (i) the removal of blight from the Project Areas and (ii) the provision of low and moderate income housing both within the Project Areas and within any other area of the County of Riverside. In order to accomplish these two purposes the Redevelopment Plans provide for the acquisition of property and the demolition of buildings and improvements, the relocation of any displaced occupants and the construction of streets, parking facilities, utilities and other public improvements. In connection with the provision of low and moderate income housing, the Agency may additionally make housing grants and loans and acquire, rehabilitate and sell residential housing to persons and families of low and moderate income. The Redevelopment Plans also allow for redevelopment of land by private enterprise and participation by owners and tenants of properties in the Project Areas

There are five Project Areas generating Housing Tax Revenues which secure the Bonds. Each Project Area is comprised of redevelopment project areas established under separate ordinances and subsequently merged, for fiscal reasons, into a Project Area. Key information on each sub-area in the Project Areas is shown in Table 4 below. Additional information about each Project Area is set forth in "APPENDIX B – GENERAL INFORMATION ABOUT EACH PROJECT AREA".

Redevelopment Project Area No. 1 . The Riverside County Board of Supervisors (the "Board") approved Redevelopment Project Area No. 1 on December 23, 1986, pursuant to Ordinance No. 635. The Project Area is located in the southwestern region of the County and consists of four Sub-Areas, totaling approximately 4,651 acres. The original Project Area contains sub-areas in the communities of Home Gardens and Murrieta. The Board approved Amendment No. 1 to the Project Area on July 20, 1999, pursuant to Ordinance No. 793, which included a new Sub-Area in the communities of Lakeland Village and Wildomar. A second amendment to the Project Area was approved on December 14, 1999, pursuant to Ordinance No. 800. This amendment allowed for the creation of another new Sub-Area in the El Cerrito/Temescal Canyon area.

The Jurupa Valley Redevelopment Project Area. The Board adopted the Jurupa Valley Project Area on July 9, 1996, via Ordinance No. 763. The project area formation involved the merger of three existing redevelopment project areas, Project Areas Nos. 2, 2-1987 and 2-1989, totaling approximately 5,845 acres; and included an addition of 10,750 acres of territory (the "Amendment Area") to the merged project areas. Project Area No. 2 was amended twice before the merger, thereby adding an additional 1,901 acres to the previous 3,984 acres. The JVPA is a single contiguous project area and is located in the northwest region of the County. The total acreage for the project area is 16,600 acres, and it is comprised of the following Sub-Areas: Mira Loma, Rubidoux, Pedley, Glen Avon, and the Amendment Area.

The Mid-County Redevelopment Project Area. The Mid-County Project Area originally consisted of three project areas: Project Area Nos. 3 (3-1986), 3-1987, and 3-1989. Project Area 3-1986 originally included area in the communities of Garnet, Valle Vista, West

Garnet, Homeland and Winchester; Project Area 3-1987 included portions of the community of North Hemet; and Project Area 3-1989 included area within the community of Cabazon. The Board approved the original boundaries of the Project Area No. 3 on December 23, 1986 via Ordinance No. 637; Project Area 3-1987 on December 22, 1987 via Ordinance No. 646; and, Project Area No. 3-1989 on July 11, 1989 via Ordinance No. 676.

In 1999, the project areas were merged and amended, adding approximately 1,307 acres to the Homeland sub-area (renamed Homeland/Green Acres). Both the amendment and merger were approved in May 1999, via Ordinances Nos. 785 and 786, respectively. On January 13, 2009, Amendment No. 2 to the MCPA was adopted via Ordinance No. 887, and added 2,693 acres in the Garnet and West Garnet communities to the sub-area. The current project area is composed of approximately 9,740 acres.

The Desert Communities Redevelopment Project Area. The Desert Communities Redevelopment Project Area originally contained two separate project areas known as Project Area No. 4 (also known as 4-1986) and 4-1987. The Riverside County Board of Supervisors (the "Board") approved the original boundaries of Project Area No. 4 on December 23, 1986 via Ordinance No. 638. Project Area No. 4-1987 was approved by the Board on December 1, 1987 via Ordinance No. 647. The Airports-1988 project area was approved by the Board on December 19, 1988, via Ordinance No. 668 and consists of six general aviation airports. On July 20, 1999, the Board approved the merger of both project areas with the Airports-1988 project area.

The merged project area consists of nine sub-areas, encompassing approximately 27,590 acres. At the same time the merger was approved, the Board approved the addition of more land to the Thousand Palms sub-area, which included approximately 408 additional acres in the community of Thousand Palms. Both the amendment and merger were approved via Ordinances Nos. 794 and 795, respectively. On January 13, 2009, Amendment No. 2 to the Desert Communities Redevelopment Project Area was adopted via Ordinance No. 886, and added 1,975 acres in the 100 Palms, Oasis, Mecca and North Shore communities to the project area. The current project area includes a total of 29,565 acres.

The Interstate 215 Corridor Redevelopment Project Area. The Interstate 215 Corridor Project Area was originally comprised of two project areas: Project Areas Nos. 5-1986 and 5-1987. The Board approved Project Area No. 5 on December 23, 1986 via Ordinance No. 639, and it included five sub-areas: Calimesa, Highgrove, Lakeview, Mead Valley and Romoland. In November of 1998, the Board approved an amendment to the project area to include additional territory in the Highgrove sub-area. Approximately 843 acres was added immediately adjacent to the existing project area. Project Area No. 5-1987 consisted of one sub-area in the community of Mead Valley and was approved by the Board on December 1, 1987 via Ordinance No. 648. The project area was amended to include additional territory on June 27, 1989 via Ordinance No. 715.

Both project areas were amended and merged on July 25, 2002 via Ordinance No. 821 and 822, respectively. Approximately 1,392 acres was added to the Romoland sub-area. The Mead Valley sub-area was also expanded and included the addition of 3,200 acres. The amended areas of both sub-areas are contiguous with the existing sub-area boundaries.

In 2006, Amendment No. 1a and Amendment No. 1b were adopted into the project area. Amendment No. 1a was adopted on May 16, 2006, and added approximately 2820 acres of territory in the communities of Lakeview/Nuevo to the I-215. Amendment No. 1b was adopted on May 2, 2006, and added 3,289 acres of additional territory in the communities of Sun City/Quail Valley into the I-215. The total acreage for the project area is 15,830 acres.

Redevelopment Plan Limitations

In 1993, the California Legislature made significant changes in the Redevelopment Law by the adoption of AB 1290, Chapter 942, statutes of 1993 "**AB 1290**"). Among the changes to the Redevelopment Law accomplished by the enactment of AB 1290 was a provision which limits the period of time for incurring and repaying loans, advances and indebtedness which are payable from tax increment revenues. In general and subject to shorter limitations which may be contained in a redevelopment plan, loans, advances and indebtedness may be incurred within the later of January 1, 2004 or 20 years from the date of original adoption of the redevelopment plan, a redevelopment plan must terminate not later than January 1, 2009 or 40 years following the date of original adoption of the redevelopment plan, and loans, advances and indebtedness must be repaid during a period extending not more than 10 years following the date of termination of the redevelopment plan. AB 1290 further required that any redevelopment plan that either did not contain the appropriate limitations or that contained limitations longer than permitted by AB 1290 must be amended by the applicable legislative body.

In addition, the eight sub-areas added to the Project Areas after January 1, 1994 are subject to the special requirements of AB1290, which replaced tax increment caps and negotiated fiscal agreements with finite plan durations and statutory payments to taxing entities, among other requirements. All of the Redevelopment Plans were subsequently brought into conformance with plan duration and other provisions of AB1290. The California Legislature enacted Senate Bill 1045, Chapter 260, Statutes 2003, effective September 1, 2003 ("**SB 1045**") and Senate Bill 1096, Chapter 211, Statutes of 2004 ("**SB 1096**"). SB 1045 and AB 1096 provide, among other things, that the Redevelopment Plans for the Project Areas may be amended to add up to three years on to the effectiveness of the Redevelopment Plans and on to the period for collection of tax increment revenues and the repayment of debt. Pursuant to the authorization contained in SB 1045, the Board of Supervisors adopted Ordinance No. 835 on November 30, 2004, (to be effective December 30, 2004) extending by one year the date of effectiveness of the Redevelopment Plan and the allowed time to pay indebtedness or receive property taxes. The following table takes into account the effect of Ordinance No. 835. The Redevelopment Plans of the Agency were adopted too recently to be able to take advantage of the extensions permitted by SB 1096.

TABLE 4
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Summary of Project Areas and Constituent Sub-Areas

	Date of Adoption	Ordinance Number	Termination of Plan Activities	Last Date to Repay Debt	Tax Increment Limit	Acreage
Redevelopment Project Area No. 1						
1-1986 (Murrieta, Home Gardens)	12/23/1986	635	12/23/2027	12/23/2037	$150,000,000	350
1-1986 (Lakeland/Wildomar)	7/20/1999	793	7/20/2030	7/20/2045	--	2,859
1-1986 (El Cerrito/Temescal)	12/21/1999	800	12/21/2030	12/21/2045	--	1,442
Project Area JVPA						
2-1986 (Mira Loma)	12/23/1986	636	12/23/2027	12/23/2037	275,000,000	1,955
2-1986 (Amend 1 ML)	12/18/1988	667	12/18/2029	12/18/2039	695,000,000	368
2-1986 (Amend 2 ML)	12/19/1989	686	12/19/2030	12/19/2040	995,000,000	1,533
2-1987 (Glen Avon, Rubidoux)	12/22/1987	645	12/22/2028	12/22/2038	495,000,000	635
2-1989 (Pedley, Rubidoux)	7/5/1989	675	7/5/2028	7/5/2040	535,000,000	1,354
2-1996 (Jurupa Amend)	7/9/1996	762/3	7/9/2027	7/9/2042	--	10,755
Project Area MCPA						
3-1986 (Garnet, W. Garnet, Valle Vista, Winchester)	12/23/1986	637	12/23/2027	12/23/2037	500,000,000	980
3-1986 (Homeland)	12/23/1986	637	12/23/2027	12/23/2037	55,000,000	122
3-1986 (Green Acres)	5/11/1999	785	5/11/2030	5/11/2045	--	1,307
3-1987 (North Hemet)	12/22/1987	646	12/22/2028	12/22/2038	40,000,000	40
3-1989 (Cabazon)	7/11/1989	676	7/11/2030	7/11/2040	135,000,000	4,598
3-2008 (Garnet/W. Garnet)	01/13/2009	887	01/13/2039	01/13/2054	--	2,693
Project Area DCPA						
4-1986 (East Blythe, Mecca, North Shore, Thermal, Palm Desert, Ripley)	12/23/1986	638	12/23/2027	12/23/2037	900,000,000	20,155
4-1986 (1000 Palms)	12/23/1986	638	12/23/2027	12/23/2037	150,000,000	285
4-1999 (1000 Palms Amendment)	7/20/1999	794	7/20/2030	7/20/2045	--	408
4-1987 (Desert Center)	12/1/1987	647	12/1/2028	12/1/2038	140,000,000	376
4-1988 (Airports)	12/19/1988	668	12/19/2029	12/19/2039	360,000,000	6,366
3-1008 (1000 Palms/Oasis)	01/13/2009	886	01/13/2039	01/13/2054	--	1,975
Project Area I-215						
5-1986 (Lakeview, Mead Valley, Romoland)	12/23/1986	639	12/23/2027	12/23/2037	578,005,274	3,154
5-1986 (Highgrove)	12/23/1986	639	12/23/2027	12/23/2037	50,000,000	275
5-1998 (Highgrove Amend)	11/24/1998	783	11/24/2029	11/24/2044	--	843
5-2002 (Romoland Amend)	6/25/2002	822	6/25/2033	6/25/2048	--	1,392
5-1987 (Mead Valley 2)	12/1/1987	648	12/1/2028	12/1/2038	120,000,000	141
5-1989 (Mead Valley 2 Amend)	7/5/1989	677	7/5/2030	7/5/2040	540,000,000	715
5-2002 (Mead Valley Amend)	6/25/2002	821	6/25/2033	6/25/2048	--	3,200
5-2006 (Lakeview/Nuevo)	05/16/2006	854	05/16/2036	05/16/2051	--	2,821
5-2006 (Sun Valley/Quail)	05/02/2006	855	05/02/2051	05/02/2051	--	3,289

Source: The Agency

The California Legislature recently enacted SB 211, Chapter 741, Statutes 2001, effective January 1, 2002 ("**SB 211**"). SB 211 provides, among other things, that the limitation on incurring indebtedness contained in a redevelopment plan adopted prior to January 1, 1994, may be deleted by ordinance of the legislative body. Ordinance No. 865, adopted by the Riverside County Board of Supervisors on October 3, 2006, deleted the limitations on incurring indebtedness contained in the pre-January 1, 1994 Redevelopment Plans of the Agency. Adoption of Ordinance No. 865 triggered statutory tax sharing requirements with taxing entities receiving property taxes in the applicable Project Area. Statutory tax sharing is calculated based on the increase in assessed valuation after the year in which the limitation would otherwise have become effective.

SB 211 also authorized the amendment of a redevelopment plan adopted prior to January 1, 1994, in order to extend for not more than 10 years the effectiveness of the redevelopment plan and the time to receive tax increment revenues and to pay indebtedness. Any such extension must meet certain specified requirements, including the requirement that the redevelopment agency establish the existence of both physical and economic blight within a specified geographical area of the redevelopment project and that any additional tax increment revenues received by the redevelopment agency because of the extension be used solely within the designated blighted area. SB 211 authorizes any affected taxing entity, the Department of Finance, or the Department of Housing and Community Development to request the Attorney General to participate in the proceedings to effect such extensions. It also would authorize the Attorney General to bring a civil action to challenge the validity of the proposed extensions.

SB 211 also prescribes additional requirements that a redevelopment agency would have to meet upon extending the time limit on the effectiveness of a redevelopment plan, including requiring an increased percentage of new and substantially rehabilitated dwelling units to be available at affordable housing cost to persons and families of low or moderate income prior to the termination of the effectiveness of the plan. The Agency does not expect that the Riverside County Board of Supervisors will undertake proceedings pursuant to SB 211 for the extension of the effectiveness of the Redevelopment Plans or the extension of the period to receipt of tax increment and the payment of indebtedness.

Appeals

Proposition 8 Appeals. Most of the appeals that might be filed in the Project Areas would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property shall be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Pursuant to California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that current market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.

Based on information provided to the Fiscal Consultant, for the 2009-10 roll year, the County Assessor applied Proposition 8 reductions to 384,289 properties in the County in response to economic conditions. The reductions were primarily applied to residential properties. The total decrease in valuation Countywide due to Proposition 8 was $42.7 billion, or approximately 19% of the 2008-09 Countywide assessed valuation; of this amount, $33.3 million was for properties in incorporated areas and $9.4 million for properties in unincorporated areas. The total change in valuation countywide was -10.5% for 2009-10.

For the Fiscal Consultant's analysis of the potential impact of Proposition 8 on the projections of assessed valuation for Fiscal Years 2010-11 and 2011-12, see ""APPENDIX H – FISCAL CONSULTANT REPORT – Table 7".

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. The State Board of Equalization has approved this reassessment practice and such practice has been used by county assessors statewide. This reassessment practice was approved by the California Court of Appeal, Fourth District, in the recent case of County of Orange et al. v Bezaire, petition for review to the California Supreme Court denied.

Base Year Appeals. A second type of assessment appeal is called a Base Year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Based on information provided to the Fiscal Consultant by the County Assessor's office, there are 2,120 appeals pending in all Project Areas. The amount of assessed valuation in dispute totals $1.147 billion, primarily from filings for the 2009-10 roll year.

For more specific information about pending and settled appeals in the Project Areas, see "APPENDIX H – FISCAL CONSULTANT REPORT – Assessment Appeals".

Land Use in the Project Areas

The majority of the land in the Project Areas is used for residential purposes. The following table shows the land use in the Project Areas, based on 2009-10 assessed valuation.

Table 5
ALL PROJECT AREAS
LAND USE; FISCAL YEAR 2009-10

Land Use	Secured AV (1)	Pct of AV	No. of Parcels	Pct of Parcels	Acres	Pct of Acres
Agricultural	$ 257,196,164	2.42%	465	0.97%	4,480	6.64%
Commercial	1,434,319,711	13.47	1,554	3.23	2,605	3.86
Industrial	2,421,338,048	22.74	620	1.29	2,101	3.11
SF Residential.	4,082,017,447	38.34	22,103	45.87	5,126	7.59
MF Residential	1,024,083,249	9.62	9,740	20.21	20,657	30.59
Vacant	1,374,118,361	12.91	13,063	27.11	14,688	21.75
Other	54,282,206	0.51	640	1.33	17,866	26.46
Totals:	$10,647,355,186	100.00%	48,185	100.00%	67,523	100.00%

(1) Valuations include homeowner's exemptions, restored by the Auditor prior to the calculation of tax increment.
Acreage is estimated using tax roll data and information provided by the Agency.
Source: Riverside County Assessor; Urban Analytics

Historic Assessed Valuation

In the Project Areas, the assessment roll fell by 2.54% in 2009-10. The Project Areas have experienced growth ranging from -2.54% to 29.78% in the past five years.

The table below shows a five-year history of assessed valuation in the Project Areas.

TABLE 6
ALL PROJECT AREAS
HISTORIC ASSESSED VALUATION, TAX REVENUES AND HOUSING TAX REVENUES

Roll	2005-06	2006-07	2007-08	2008-09	2009-10
Secured					
- Land	$2,513,814,642	$3,236,802,753	$4,285,175,035	$4,595,829,225	$4,253,663,307
- Improvements	4,118,245,968	5,003,912,961	6,337,141,642	6,764,167,624	6,557,879,656
- Personal Prop.	52,497,024	61,819,374	72,828,985	72,939,379	79,177,222
- Exemptions	(167,420,056)	(184,216,917)	(224,076,126	(215,151,251)	(243,364,999)
Secured Total	6,517,137,578	8,118,318,171	10,471,069,536	11,217,784,977	10,647,355,186
Unsecured					
- Land	450,650	420,559	298,648	258,265	98,547
- Improvements	270,832,527	294,989,193	338,846,469	381,732,795	415,475,664
- Personal Property	347,764,109	428,885,272	433,228,160	462,182,333	392,364,506
- Exemptions	(3,529,600)	(3,093,200)	(3,188,850)	(3,173,503)	(362,991)
Unsecured Total	615,517,686	721,201,824	769,184,427	840,999,890	807,575,726
Utility					
- Land	4,914,381	11,116,500	9,636,436	9,751,026	5,067,003
- Improvements	7,811,954	7,828,299	247,826,303	460,215,445	750,860,568
- Personal Property	1,093,400	904,907	280,436	348,732	355,415
- Exemptions	0	0	0	0	0
Utility Total	13,819,735	19,849,706	257,743,175	470,315,203	756,282,986
Totals:	7,146,474,999	8,859,369,701	11,497,997,138	12,529,100,070	12,211,213,898
Percent Change	*19.03%*	*23.97%*	*29.78%*	*8.97%*	*(2.54%)*
Plus: HOPTR AV	82,946,761	83,751,171	93,862,094	94,498,361	94,574,600
Less: Base AV	(2,325,277,564)	(2,325,277,564)	(2,965,817,951)	(2,963,749,239)	(2,963,749,239)
Incremental AV	4,904,144,196	6,617,843,308	8,626,041,281	9,659,849,192	9,342,039,259
Incremental Revenue	49,041,442	66,178,433	86,260,413	96,598,492	$93,420,393
Plus Additional Revenue (1)	12,527,190	12,825,540	13,495,285	3,842,473	(N.A.)
Tax Increment Collected	61,568,632	79,003,973	99,755,698	100,440,965	(N.A.)
Housing Tax Revenues Collected	$12,313,726	$15,800,795	$19,951,140	$20,088,193	(N.A.)

(1) Revenue from unitary and supplemental rolls, debt service levy, prior-year adjustments and other sources.
Source: Urban Analytics

Largest Taxpayers in the Project Areas

The following table shows the ten largest taxpayers in the Project Areas. For a brief description of the three largest property tax payers in the Project Areas, see "APPENDIX H – FISCAL CONSULTANT REPORT – Ten Largest Assesses".

TABLE 7
ALL PROJECT AREAS
Largest Property Tax Payers- 2009-10

Property Owner	Secured and Utility	Unsecured	Total	Pct of Total
Inland Empire Energy Center, Llc	$ 748,700,000	$ 0	$ 748,700,000	6.13%
Castle & Cooke	165,606,319	1,051,262	166,657,581	1.36
Amb Institutional Alliance Fund Iii	137,961,117	0	137,961,117	1.13
Teachers Insurance Annuity Assn	125,932,897	0	125,932,897	1.03
T D Desert Dev	110,043,071	0	110,043,071	0.90
Eastvale Gateway	103,143,755	0	103,143,755	0.84
Chelsea GCA Realty Partnership	98,068,169	98,459	98,166,628	0.80
Costco Wholesale Corp	93,676,621	652,984	94,329,605	0.77
UPS Supply Chain Solutions	86,127,919	0	86,127,919	0.71
Prologis Calif I	81,783,630	0	81,783,630	0.67
Totals, Top Ten:	1,751,043,498	1,802,705	1,752,846,203	14.35
Totals, Top Twenty:	2,234,011,475	1,808,791	2,235,820,266	18.31
Totals, Top Hundred:	3,606,015,077	176,766,559	3,782,781,636	30.98
Totals for the Area:	$11,403,638,172	$807,575,726	$12,211,213,898	100.00%

Source: Urban Analytics

PROJECTED COVERAGE ON THE BONDS

The table below sets forth the projected Housing Tax Revenues expected to be generated from the five Project Areas. For the 2010-11 tax year, the Proposition 13 adjustment for 2010-11 will be a negative 0.237%. See "BONDOWNER'S RISKS - Reduction in Inflationary Rate and Changes in Legislation" below.

The projections incorporate a decrease in overall assessed valuation of 3.66% in 2010-11 due to a) the sale of properties at amounts less than their 2009-10 assessed valuation; b) additional reductions in valuation from Proposition 8 reassessments on residential properties that had not previously been reduced and were sold during the period of residential housing price increases from 2002 to 2008, with properties in this category assumed to receive a reduction of 4% for 2010-11; c) the application of the negative 0.237% Proposition 13 adjustment to properties that were not sold or subject to Proposition 8 reductions; d) for properties with pending appeals, the granting of 2010-11 assessment reductions equal to 10% of the properties' enrolled valuations; and e) in the I-215 Project Area, an assumed decrease of approximately 7% in the valuation assigned to the Inland Empire Energy Center as the facility is reassessed following completion of construction.

For 2011-12, the overall growth rate is projected to be 1.97%, due to the gradual restoration of properties previously subject to Proposition 8 decreases and an assumed return of the Proposition 13 adjustment factor to 2%. For 2012-13 and subsequent years, the projections assume two percent growth.

Tax increment and housing fund revenue may increase or decrease at rates that differ from those shown. Decreases in assessed valuation in later years are due to the plan termination dates for the various sub-areas. See "APPENDIX B – CERTAIN INFORMATION ABOUT EACH PROJECT AREA" for information about each Project Area and "APPENDIX H – FISCAL CONSULTANT REPORT – Tax Increment Through Plan Terminations".

TABLE 8
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Combined Project Areas
Projected Housing Tax Revenues

Fiscal Year	1-1986 Housing Tax Revenues	Jurupa Housing Tax Revenues	Mid-County Housing Tax Revenues	Desert Communities Housing Tax Revenues	I - 215 Housing Tax Revenues	Total Projected Housing Tax Revenues
2010-11	$1,887,373	$6,886,457	$1,154,958	$4,938,134	$3,926,355	$18,793,277
2011-12	1,855,528	6,783,163	1,138,609	4,873,251	3,855,508	18,506,060
2012-13	1,908,088	6,953,647	1,165,595	4,980,345	3,970,934	18,978,610
2013-14	1,959,145	7,119,259	1,191,809	5,084,372	4,084,492	19,439,078
2014-15	2,011,224	7,288,183	1,218,547	5,190,479	4,200,322	19,908,755
2015-16	2,064,344	7,460,486	1,245,820	5,298,708	4,318,469	20,387,826
2016-17	2,118,526	7,636,234	1,273,639	5,409,102	4,438,978	20,876,478
2017-18	2,173,792	7,815,498	1,302,013	5,521,703	4,561,898	21,374,904
2018-19	2,230,163	7,998,346	1,330,956	5,636,557	4,687,276	21,883,298
2019-20	2,287,662	8,184,852	1,360,477	5,753,708	4,815,161	22,401,860
2020-21	2,346,311	8,375,088	1,390,588	5,873,201	4,945,605	22,930,793
2021-22	2,406,133	8,569,128	1,421,302	5,995,085	5,078,657	23,470,305
2022-23	2,467,151	8,767,050	1,452,630	6,119,406	5,214,370	24,020,607
2023-24	2,529,389	8,968,930	1,484,584	6,246,214	5,352,798	24,581,915
2024-25	2,592,872	9,174,847	1,517,178	6,375,558	5,493,994	25,154,449
2025-26	2,657,625	9,384,883	1,550,424	6,507,489	5,638,013	25,738,434
2026-27	2,723,673	9,599,119	1,584,334	6,642,058	5,784,914	26,334,098
2027-28	2,791,042	9,817,640	1,618,923	6,779,319	5,934,752	26,941,676
2028-29	2,859,759	10,040,532	1,654,203	6,919,325	6,087,587	27,561,405
2029-30	2,929,849	10,267,881	1,690,189	7,062,131	6,243,479	28,193,529
2030-31	3,001,342	10,499,778	1,726,895	7,207,793	6,402,489	28,838,296
2031-32	3,074,264	10,736,312	1,764,335	7,356,368	6,564,679	29,495,958
2032-33	3,148,645	10,977,577	1,802,523	7,507,915	6,730,112	30,166,773
2033-34	3,224,513	11,223,667	1,841,476	7,662,493	6,898,854	30,851,004
2034-35	3,301,899	11,474,680	1,881,207	7,820,163	7,070,972	31,548,920
2035-36	3,380,832	11,730,712	1,921,733	7,980,986	7,246,531	32,260,794
2036-37	3,461,344	11,991,865	1,963,070	8,145,025	7,425,602	32,986,906
2037-38	3,543,467	12,258,241	1,454,876	8,312,345	7,608,254	33,177,183
2038-39	3,005,314	11,309,015	423,158	720,410	6,317,237	21,775,134
2039-40	3,078,744	11,028,185	423,255	710,743	6,422,048	21,662,974

Source: Urban Analytics; The Agency

The table below sets forth the debt service and expected debt service coverage for the Series A Bonds, the Series A-T Bonds and the Parity Bonds.

TABLE 9
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Combined Project Areas
Projected Debt Service Coverage Schedule(1)

Fiscal Year	Projected Housing Tax Revenues	Parity Bonds	Series A Bonds Debt Service*	Series A-T Bonds Debt Service*	Total Debt Service*	Coverage Ratio*
2009-10	$18,793,277	$ 5,747,005	$ 312,139	$1,337,368	$ 7,467,995	252%
2010-11	18,506,060	5,747,082	1,146,418	4,637,103	11,518,532	161
2011-12	18,978,610	5,741,761	1,148,793	4,639,915	11,518,763	165
2012-13	19,439,078	5,749,814	1,140,353	4,640,215	11,518,006	169
2013-14	19,908,755	5,743,727	1,146,258	4,639,165	11,515,932	173
2014-15	20,387,826	5,746,817	1,146,198	4,636,800	11,515,887	177
2015-16	20,876,478	5,746,847	1,144,448	4,639,620	11,516,672	181
2016-17	21,374,904	5,752,457	1,141,628	4,635,165	11,519,877	186
2017-18	21,883,298	5,750,540	1,142,228	4,636,215	11,519,220	190
2018-19	22,401,860	5,749,962	1,141,815	4,640,150	11,517,230	195
2019-20	22,930,793	5,754,186	1,135,340	4,642,225	11,517,606	199
2020-21	23,470,305	5,751,984	1,137,860	4,642,255	11,518,669	204
2021-22	24,020,607	5,744,557	1,144,385	4,639,035	11,520,135	209
2022-23	24,581,915	5,750,861	1,139,635	4,640,035	11,518,014	213
2023-24	25,154,449	5,759,951	1,129,080	4,643,435	11,520,374	218
2024-25	25,738,434	5,746,334	1,142,960	4,638,435	11,516,334	223
2025-26	26,334,098	5,750,641	1,140,110	4,640,035	11,520,016	229
2026-27	26,941,676	5,752,780	1,141,118	4,636,435	11,515,383	234
2027-28	27,561,405	5,755,937	1,135,868	4,636,980	11,519,715	239
2028-29	28,193,529	5,746,625	1,144,613	4,640,418	11,517,955	245
2029-30	28,838,296	5,756,625	1,136,303	4,635,495	11,515,425	250
2030-31	29,495,958	5,751,875	1,141,943	4,636,795	11,517,845	256
2031-32	30,166,773	5,757,625	1,135,670	4,637,648	11,517,368	262
2032-33	30,851,004	5,752,875	1,137,298	4,641,800	11,518,440	268
2033-34	31,548,920	5,881,125	1,012,170	4,637,583	11,517,373	274
2034-35	32,260,794	5,880,750	1,012,600	4,639,160	11,514,413	280
2035-36	32,986,906	5,881,750	1,010,900	4,639,445	11,515,495	286
2036-37	33,177,183	5,880,000	1,012,700	4,636,768	11,514,303	288
2037-38	21,775,134	-	4,387,700	2,951,738	7,330,703	297
2038-39	21,662,974	-	4,388,400	2,952,560	7,329,485	296
2039-40	21,538,956	-	-	-	-	
Total	$736,811,503	$161,532,493	$39,376,924	$132,489,993	$333,103,161	

* Preliminary, subject to change.
(1) Tax Increment projections are shown on a fiscal year basis; all debt service figures are shown on a Bond Year basis (years ending October 1).
Source: Urban Analytics; The Agency

BOND OWNERS' RISKS

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the risks of investing in the Bonds.

Reduction in Taxable Value

Tax Revenues allocated to the Agency are determined by the amount of incremental taxable value in the Project Areas allocable to the Project Areas and the current rate or rates at which property in the Project Area is taxed. The reduction of taxable values of property caused by economic factors beyond the Agency's control, such as a relocation out of a Project Area by one or more major property owners, or the transfer, pursuant to California Revenue and Taxation Code Section 68, of a lower assessed valuation to property within a Project Area by a person displaced by eminent domain or similar proceedings, or the discovery of hazardous substances on a property within a Project Area (see "Hazardous Substances," below) or the complete or partial destruction of such property caused by, among other eventualities, an earthquake (see "Seismic Considerations," below), flood or other natural disaster, could cause a reduction in the Housing Tax Revenues securing the Bonds. Property owners may also appeal to the County Assessor for a reduction of their assessed valuations or the County Assessor could order a blanket reduction in assessed valuations based on then current economic conditions. See "APPENDIX H - FISCAL CONSULTANT REPORT - Section D - Assessment Appeals", "TAX REVENUES AND DEBT SERVICE COVERAGE – Assessment Appeals", and "Table 7".

Reduction in Inflationary Rate and Changes in Legislation

As described in greater detail below (see "LIMITATIONS ON TAX REVENUES"), Article XIIIA of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIIIA limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. Since Article XIIIA was approved, the annual adjustment for inflation has fallen below the 2% limitation five times: in fiscal year 1983-84, 1%; in fiscal year 1995-96, 1.19%; in fiscal year 1996-97, 1.11%; in fiscal year 1999-00, 1.85%; and in fiscal year 2004-05, 1.867%. However, the inflationary growth rate will be -0.237% for 2010-11. The Agency is unable to predict if any further adjustments to the full cash value base of real property within the Project Areas, whether an increase or a reduction, will be realized in the future.

Levy and Collection

The Agency has no independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Tax Revenues and, accordingly, could have an adverse impact on the ability of the Agency to make debt service payments on the Bonds. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the Agency's ability to make timely debt service payments on the Bonds. The County currently allocates 100% of the Tax Revenues collected on the secured property tax roll to the Agency, regardless of the actual amount of payments made by taxpayers (see "Property Taxes; Teeter Plan", below). The County currently allocates Tax Revenues collected with respect to unsecured property to the Agency based upon the tax increment actually collected.

Impact of Redevelopment Plan Expirations

The final maturity date of the Bonds is October 1, 2039. The final maturity date of the Bonds was established taking into account the final dates to collect tax increment and repay debt in the various constituent areas of the Project Areas, as set forth in Table 4 "Summary of Project Areas and Constituent Sub-Areas". According to the Fiscal Consultant, approximately 36% of the tax increment revenues currently being generated by all Project Areas is derived from Redevelopment Plans for eight constituent areas that will terminate on December 23. 2037, and redevelopment plans for an additional four constituent areas will also terminate prior to the final maturity date of the Bonds. As a result of the termination of the Agency's right to collect tax increment and repay debt in various of the constituent areas, the distribution of land uses and the largest assesses among the constituent areas generating Housing Tax Revenues will change while the Bonds are outstanding. The Agency also expects such distribution may change over time as a result of economic and other factors.

Factors Relating to Sub-Prime Loans

Since the end of 2002, many homeowners have financed the purchase of their new homes using loans with little or no downpayment and with adjustable interest rates that are subject to being reset at higher rates on a specified date or on the occurrence of specified conditions. Some homeowners who purchased their homes with "sub-prime loans" have experienced difficulty in making their loan payments due to automatic rate increases on their adjustable loans and rising interest rates in the market, which could lead to increased foreclosures.

In addition, as a result of increasing defaults on "sub-prime loans" in recent months, credit has become more difficult and more expensive to obtain, not only in the residential market, but also in the commercial, retail and industrial sectors. Unavailability of loans for the purchase and development of real property in the Project Areas may adversely impact assessed values and, therefore the availability of Housing Tax Revenues to pay debt service on the Bonds. Moreover, as mortgage loan defaults increase, bankruptcy filings are also likely to increase. Bankruptcy filings by property owners with delinquent property taxes would delay the commencement of and completion of foreclosure proceedings to collect delinquent property taxes.

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State of California Fiscal Issues; ERAF; SERAF

Information about the State budget and State spending is regularly available from various State offices or on the applicable websites, including the Department of Finance, the Office of the Legislative Analyst and the State Treasurer. However, none of such information is incorporated by such reference.

In connection with its approval of the State budget for the 1992/93, 1993/94, 1994/95, 2002/03, 2003/04, 2004/05, 2005/06, and 2008/09 Fiscal Years, the State Legislature enacted legislation which, among other things, reallocated funds from redevelopment agencies to school districts by shifting a portion of each agency's tax increment, net of amounts due to other taxing agencies, to school districts for such Fiscal Years for deposit in the Education Revenue Augmentation Fund ("**ERAF**"). The amount required to be paid by a redevelopment agency under such legislation was apportioned among all of its redevelopment project areas on a collective basis, and was not allocated separately to individual project areas.

In 2008, the State Legislature adopted, and the Governor of the State signed, legislation, Chapter 751, Statutes 2008 (AB 1389) ("**AB 1389**"), that among other things require redevelopment agencies to pay into ERAF in Fiscal Year 2008/09, prior to May 10, 2009, an aggregate amount of $350 million. On April 30, 2009, a California superior court in California Redevelopment Association v. Genest (County of Sacramento) (Case No. 34-2008-00028334) held that the required payment by redevelopment agencies into ERAF in Fiscal Year 2008/09 pursuant to AB 1389 violated the California constitution and invalidated and enjoined the operation of the California Health and Safety Code section requiring such payment. On May 26, 2009, the State did file a notice that it would appeal the decision of the superior court. On September 28, 2009, the State noticed its withdrawal of its appeal of California Redevelopment Association v. Genest.

In connection with various legislation related to the budget for the State for its Fiscal Year 2009/10, in late July 2009, the State legislature adopted, and the Governor of the State signed, Assembly Bill No. 26x4 (the "**2009 SERAF Legislation**").

The 2009 SERAF Legislation mandates that redevelopment agencies in the State make deposits to the Supplemental Educational Revenue Augmentation Fund ("**SERAF**") that is established in each county treasury throughout the State the aggregate amounts of $1.7 billion for Fiscal Year 2009/10, which are due prior to May 10, 2010, and $350 million for Fiscal Year 2010/11, which are due prior to May 10, 2011.

The Agency has been informed by the State Director of Finance that the total payable by it for Fiscal Year 2009/10 is $27.8 million and the Agency has preliminarily estimated that the total amount payable by it will be $5.7 million for Fiscal Year 2010/11. Pursuant to the 2009 SERAF Legislation, redevelopment agencies may use any funds that are legally available and not legally obligated for other uses, including reserve funds, proceeds of land sales, proceeds of bonds or other indebtedness, lease revenues, interest and other earned income. The Agency has sufficient funds on hand to pay the full amount of the 2009/10 SERAF payment when due.

The 2009 SERAF Legislation contains provisions that subordinate the obligation of redevelopment agencies to make the SERAF payments specified therein to certain indebtedness. Health and Safety Code, § 33690 (a) (3) states: "The obligation of any agency to make the payments required pursuant to this subdivision shall be subordinate to the lien of any pledge of collateral securing, directly or indirectly, the payment of the principal, or interest on any bonds of the agency including, without limitation, bonds secured by a pledge of taxes allocated to the agency pursuant to Section 33670 of the California Health and Safety Code."

The 2009 SERAF Legislation imposes various restrictions on redevelopment agencies that fail to timely make the required SERAF payments, including (i) a prohibition on adding or expanding project areas, (ii) a prohibition on the incurrence of additional debt, (iii) limitations on the encumbrance and expenditure of funds, including funds for operation and administration expenses, and (iv) commencing with the July 1 following the due date of a SERAF annual payment that is not timely made, a requirement that the applicable redevelopment agency allocate an additional five percent (5%) of all taxes that are allocated to the redevelopment agency under the Redevelopment Law for low and moderate income housing for the remainder of the time that the applicable redevelopment agency receives allocations of tax revenues under the Redevelopment Law.

The five percent (5%) additional housing set-aside penalty provision referred to in the 2009 SERAF Legislation (the "Penalty Set-Aside Requirement") would be in addition to the twenty percent (20%) of such tax revenues already required to be used for low and moderate income housing purposes. A redevelopment agency that borrows from amounts required to be allocated to its housing set-aside funds to make required SERAF payments but does not timely repay the funds, will also be subject to the Penalty Set-Aside Requirement. If the Agency borrows funds from its Housing Fund to make the SERAF payment in either year, and does not repay the funds within the specified time frame, it would be subject to the Penalty Set-Aside Requirement. Note that, if a redevelopment agency fails to comply with the foregoing described requirements in both Fiscal Year 2009/10 and in Fiscal Year 2010/11, the redevelopment agency will be subject to the Penalty Set-aside Requirement in both such Fiscal Years for a total of ten percent (10%) additional housing set-aside penalty. The Agency does not expect to have to borrow funds from the Housing Fund to pay either of the SERAF payments.

Although the 2009 SERAF Legislation contains provisions that subordinate the obligation of redevelopment agencies to make the SERAF payments specified therein to certain indebtedness (which would include a subordination of the Agency's obligations with respect to the new SERAF payments to the Agency's obligation to pay debt service on the Bonds), there is no provision in the 2009 SERAF Legislation subordinating the Penalty Set-Aside Requirement to any indebtedness of a redevelopment agency that fails to timely make the SERAF payments mandated by the SERAF Legislation. The Penalty Set-Aside Requirement would be subordinate to prior Parity Bonds because they were issued prior to the adoption of the 2009 SERAF Legislation. However, a court could find the Penalty Set-Aside Requirement is senior to the obligation to pay debt service on the Bonds.

The California Redevelopment Association, the Union City Redevelopment Agency and the Fountain Valley Redevelopment Agency filed a lawsuit in Sacramento Superior Court on October 20, 2009 challenging the constitutionality of the 2009 SERAF Legislation and seeking to prevent the State from taking redevelopment funds for non-redevelopment purposes. The Court has certified all redevelopment agencies in the State as a class of plaintiffs in the lawsuit. All proceedings in the matter have been filed and the Court has taken the matter under submission. A judgment of the Court is expected by May 10. 2010, the date the 2010 SERAF payment is otherwise required to be made by the Agency to the Riverside County Auditor-Controller. Although the Agency cannot predict how the Court will rule and whether or not the Court will enjoin the implementation of the SERAF payment on May 10, 2010, the Agency expects that the losing side will appeal the Court's ruling.

The Agency cannot predict what actions will be taken in the future by the State Legislature and the Governor to deal with changing State revenues and expenditures and the repercussions they may have on the Fiscal Year 2009/10 State Budget and future State budgets. These developments at the State level may, in turn, affect local governments and agencies, including the Agency. The State Legislature may adopt other legislation requiring redevelopment agencies to make other payments to ERAF or SERAF or to make other payments. The impact that current and future State fiscal shortfalls will have on the Agency is unknown at this time. In prior years, the State has experienced budgetary difficulties and balanced its budget by requiring local political subdivisions, such as the City and the Agency, to fund certain costs theretofore borne by the State.

AB 1389 Reporting Requirements

In addition to the provisions described in the preceding section relating to ERAF, AB 1389 also requires redevelopment agencies, under certain circumstances, to submit reports to the office of the county auditor in the county in which they are located. These reports are required to include calculations of the tax increment revenues that redevelopment agencies have received and payments that redevelopment agencies have made pursuant to Tax Sharing Agreements with taxing entities and Statutory Tax Sharing. County auditors are required to review the reports and, if they concur, issue a finding of concurrence. The State Controller is required to review such reports and submit a report to the Legislative Analyst's office and the Department of Finance identifying redevelopment agencies for which county auditors had not issued a finding of concurrence or which have outstanding passthrough payment liabilities to a local educational agency that exceed the amount of outstanding passthrough over payments to the local educational agency. AB 1389 includes penalties for any redevelopment agency listed on the most recent State Controller's report, including a prohibition on issuing bonds or other obligations until the listed agency is removed from the State Controller's report.

The Agency filed the first required report for the five year period ending June 30, 2008 with the County Auditor-Controller. In January 2009, the Agency received notification from the Riverside County Auditor-Controller to the effect that it concurred with the information contained in the Agency's report. In April 2009, the State Controller's office issued a report which included the Agency on the list of redevelopment agencies with respect to which the County Auditor had concurred with their reports.

The report required by AB 1389 for the Fiscal Year ended June 30, 2009 was due by October 1, 2009. The Agency timely filed its report with the Riverside County Auditor-Controller The County Auditor-Controller has concurred with the information contained in the Agency's Fiscal Year 2008/09 report. The State Controller has not yet issued its report for the reporting period ending June 30, 2009. The Agency does not expect to be listed on the report when published.

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within one or more of the Project Areas. In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within Project Area be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Seismic Considerations

As with most of Southern California, the most significant safety hazard in Riverside County is due to seismic hazards. Two major faults, the San Andreas and the San Jacinto, pass through the mid-county region to the east of the Project Areas. However, according to the draft Safety Element of the Riverside County General Plan, the Project Areas do not contain any mapped faults nor any earthquake fault study zones. In addition, most of the Project Areas have a low level of liquefaction susceptibility, with the exception of the areas closest to the Santa Ana River. Lastly, most of the assessed valuation growth in the Project Areas is due to new construction built in accordance with the Uniform Building Code which contains standards designed to minimize structural damage caused by seismic events.

Nevertheless, the occurrence of severe seismic activity affecting one or more of the Project Areas could result in substantial damage to property located in such Project Area, and could lead to successful appeals for reduction of assessed values of such property. Such a reduction of assessed valuations could result in a reduction of the Housing Tax Revenues that secure the Bonds.

Bankruptcy

The rights of the Owners of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights under currently existing law or laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The opinions of Bond Counsel as to the enforceability of the obligation to make payments on the Bonds will be qualified as to bankruptcy and such other legal events. See "APPENDIX E - FORMS OF OPINION OF BOND COUNSEL".

Changes in the Law

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of

Housing Tax Revenues, and consequently, have an adverse effect on the Agency's ability to pay debt service on the Bonds.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bond can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price. No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code), or changes in interpretation of the Internal Revenue Code, or any action of the Internal Revenue Service, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the Bonds for audit examination, or the course or result of any Internal Revenue Service audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

LIMITATIONS ON TAX REVENUES

Property Tax Limitations - Article XIIIA

California voters, on June 6, 1978, approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution. This amendment, which added Article XIIIA to the California Constitution, among other things, affects the valuation of real property for the purpose of taxation in that it defines the full cash value of property to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or any reduction in the consumer price index or comparable local data, or any reduction in the event of declining property value caused by damage, destruction or other factors. Roll adjustments may be made by the County which would affect the Project Areas assessed value, under Section 51 of the Revenue and Taxation Code.

Article XIIIA further limits the amount of any ad valorem tax on real property to 1% of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978. In addition, an amendment to Article XIII was adopted in August 1986 by initiative which exempts any bonded indebtedness approved by two-thirds of the votes cast by voters for the acquisition or improvement of real property from the 1% limitation. On December 22, 1978, the California Supreme Court upheld the amendment over challenges on several state and federal constitutional grounds (*Amador Valley Joint Union School District v. State Board of Equalization)*.

In the general election held November 4, 1986, voters of the State of California approved two measures, Propositions 58 and 60, which further amended Article XIIIA. Proposition 58 amended Article XIIIA to provide that the terms "purchased" and "change of ownership," for purposes of determining full cash value of property under Article XIIIA, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first $1,000,000 of other property between parents and children. Proposition 60 amended Article XIIIA to permit the Legislature to allow persons over age 55 who sell their residence to buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence. Under Proposition 60, the Legislature has enacted legislation permitting counties to implement the provisions of Proposition 60. As a result, there may be a minor reduction of property tax revenues because there is substantial residential use within the Project Areas.

Challenges to Article XIIIA

There have been many challenges to Article XIIIA of the California Constitution. Probably the most significant judicial decision with respect to Article XIIIA is the United States Supreme Court holding in *Nordlinger v. Hahn,* a challenge relating to residential property. Based upon the facts presented in *Nordlinger,* the United States Supreme Court held that the method of property tax assessment under Article XIIIA did not violate the federal Constitution. The Agency cannot predict whether there will be any future challenges to California's present system of property tax assessment and cannot evaluate the ultimate effect on the Agency's receipt of tax increment revenues should a future decision hold unconstitutional the method of assessing property.

Property Taxes; Teeter Plan

In California, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." Secured and unsecured property are entered on separate parts of the assessment roll maintained by the county assessor. The secured classification includes property on which any property tax levied by the County becomes a lien on that property sufficient, in the opinion of the county assessor, to secure payment of the taxes. Every tax which becomes a lien on secured property has priority over all other liens on the secured property, regardless of the time of the creation of other liens. A tax levied on unsecured property does not become a lien against the taxes on unsecured property, but may become a lien on certain other property owned by the taxpayer.

Current tax payment practices by the County provide for payment to the Agency of Tax Revenues periodically throughout the fiscal year, with the majority of Tax Revenues derived from secured property paid to the Agency in January and May, and the majority of Tax Revenues derived from unsecured property paid to the Agency by late September. Unitary roll Tax Revenues and Tax Revenues from supplemental assessments are paid to the Agency in May. A final reconciliation is made after the close of the fiscal year. The difference between the final reconciliation and Tax Revenues previously allocated to the Agency is allocated in late July.

Property tax laws provide for the supplemental assessment and taxation of property as of the occurrence of a change in ownership or completion of new construction. To the extent such supplemental assessments occur within the Project Areas, Tax Revenues may increase.

General taxes, special taxes, tax increments and assessment installments are collected for all taxing entities and redevelopment agencies by the County. In 1993 the County approved a resolution of intent to begin operating under Section 4701-4717 of the California Revenue and Taxation Code (the "**Teeter Plan**"). Under the Teeter Plan, the County will maintain a County Tax Loss Reserve Fund for the purpose of paying each taxing entity 100% of the amounts of secured taxes levied (including tax increments) and 1915 Act assessments posted on the tax bill. The County has the power to unilaterally discontinue its practice of paying 100% of the tax levy to the Agency notwithstanding delinquencies and certain assessment appeals on a countywide basis with respect to one or more categories, including general taxes, special taxes or special assessment installments. The Teeter Plan may also be discontinued by petition of two-thirds (2/3) of the participant taxing agencies.

Tax Collection Fees

Legislation enacted by the State Legislature authorizes county auditors to determine property tax administration costs proportionately attributable to local jurisdictions and to submit invoices to the jurisdictions for such costs. Subsequent legislation specifically includes redevelopment agencies among the entities which are subject to a property tax administration charge. The County administration fee amounts to approximately 2% of the tax increment revenues from a Project Area. The calculations of Housing Tax Revenues take such administrative costs into account.

Unitary Taxation of Utility Property

AB 2890 (Statutes of 1986, Chapter 1457) provides that assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) is to be allocated county-wide as follows: (i) each tax rate area will receive the same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case values will be allocated to each tax rate area on a pro rata basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a pro rata share of the increase from each assessed utility according to a specified formula.

AB 454 (Statutes of 1987, Chapter 921) further modifies Chapter 1457 regarding the distribution of property tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenues derived from State-assessed property to taxing jurisdictions within each county. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited. For additional information see "APPENDIX H - FISCAL CONSULTANT REPORT - Unitary Tax Revenue".

Future Initiatives

Article XIIIA, Article XIIIB and Proposition 62 were each adopted as measures that qualified for the ballot under California's initiative process. From time to time other initiative measures could be adopted, further affecting Agency revenues or the Agency's ability to expend revenues.

OTHER INFORMATION

Continuing Disclosure

The Agency will covenant for the benefit of Bondholders to provide certain financial information and operating data relating to the Agency by not later than March 31 in each year commencing December 31, 2010 (the "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events, if material.

The specific nature of the information to be contained in the Annual Report or the notices of material events is described in "APPENDIX H – Form of Continuing Disclosure Certificate". These covenants will be made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

The Agency has not failed to comply with a continuing disclosure undertaking in the previous five years.

Litigation

At the time of delivery of and payment for the Bonds, the Agency will certify that, except as disclosed herein, to its best knowledge there is no litigation, action, suit, proceeding or investigation, at law or in equity, before or by any court, governmental agency or body, pending against or threatened against the Agency in any way affecting the existence of the Agency or the titles of its officers to their respective offices or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, or the collection or application of Housing Tax Revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Indentures, or any action of the Agency contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or the powers of the Agency or its authority with respect to the Indentures or any action of the Agency contemplated by said document, or which would adversely affect the exclusion of interest paid on the Series A Bonds from gross income for Federal income tax purposes or the exemption of interest paid on the Bonds from California personal income taxation, nor, to the knowledge of the Agency, is there any basis therefor.

Tax Matters

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Series A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinions described in the preceding paragraph are subject to the condition that the Agency comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Series A Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series A Bonds.

In the further opinion of Bond Counsel, interest on both the Series A Bonds and the Series A-T Bonds is exempt from California personal income taxes.

Owners of the Series A Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series A Bonds may have federal tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Series A Bonds other than as expressly described above.

The interest payable on the Series A-T Bonds is not excluded from gross income for federal income tax purposes.

Legal Opinion

Jones Hall, A Professional Law Corporation, San Francisco, California, will render an opinion with respect to the validity of the Bonds in substantially the form set forth in Appendix E hereto. Copies of such approving opinion will be available at the time of delivery of the Bonds.

In addition, Bond Counsel, in its capacity as Disclosure Counsel, will deliver to the Agency and to the Underwriters a letter in customary form concerning the information set forth in this Official Statement.

Ratings

The Bonds have received the rating of "___" and "___" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("**S&P**") and Moody's Investor's Services ("**Moody's**), respectively, with the understanding that upon execution and delivery of the Bonds the Policy insuring the payment when due of the principal and interest on the Bonds will be issued by Insurer. In addition, Moody's and S&P have assigned their underlying ratings of "__" and "__", respectively, on the Bonds. Such ratings reflect only the views of such organizations and an explanation of the significance of such rating may be obtained from S&P and Moody's.

The rating issued reflects only the view of such rating agency, and any explanation of the significance of such rating should be obtained from such rating agency. There is no assurance that such rating will be retained for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating obtained may have an adverse effect on the market price of the Bonds.

The Authority

The Riverside County Public Financing Authority is a joint powers authority, organized under a Joint Exercise of Powers Agreement, dated as of March 20, 1990, between the Agency and the County. The Agreement was entered into under the provisions of Articles 1 through 4, Chapter 5, Division 7, Title 1 of the California Government Code (the "**JPA Law**"). The Authority was created for the primary purpose of assisting the financing or refinancing of public capital improvements of the County and the Agency. Under the JPA Law, the Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale.

The Authority is governed by a board of directors, consisting of the Board of Supervisors of Riverside County.

Underwriting

The Bonds are being purchased by the Authority for concurrent resale of the Bonds to ______________________________ (the "**Underwriters**").

Series A Bonds. The Underwriters have agreed to purchase the Series A Bonds at a price of $___________ (being the principal amount of the Series A Bonds of $___________ plus a net original issue premium of $__________ less an underwriters' discount of $__________) under a Bond Purchase Contract among the Agency, the Authority and the Underwriters.

Series A-T Bonds. The Underwriters have also agreed to purchase the Series A-T Bonds at a price of $___________ (being the principal amount of the Series A-T Bonds of $___________ plus a net original issue premium of $__________ less an underwriters' discount of $___________) under a Bond Purchase Contract among the Agency, the Authority and the Underwriters.

The Underwriters may offer and sell the Bonds to certain dealers and others at a price lower than the offering price stated on the cover page hereof. The offering price may be changed from time to time by the Underwriters.

Miscellaneous

All quotations from and summaries and explanations of the Indentures and other statutes and documents contained herein do not purport to be complete, and reference is made to such documents, Indentures and statutes for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the sale of the Bonds by the Agency. All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the Agency. The information contained herein should not be construed as representing all conditions affecting the

Agency or the Bonds.

REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE

By:____________________________________
Executive Director

APPENDIX A

DESCRIPTION OF PROPOSED PROJECTS OF THE AGENCY

APPENDIX B

GENERAL INFORMATION ABOUT EACH PROJECT AREA

Redevelopment Project Area No. 1

General. The Riverside County Board of Supervisors (the "Board") approved Redevelopment Project Area No. 1 on December 23, 1986, pursuant to Ordinance No. 635. The Project Area is located in the southwestern region of the County and consists of four Sub-Areas, totaling approximately 4,651 acres. The original Project Area contains sub-areas in the communities of Home Gardens and Murrieta. The Board approved Amendment No. 1 to the Project Area on July 20, 1999, pursuant to Ordinance No. 793, which included a new Sub-Area in the communities of Lakeland Village and Wildomar. A second amendment to the Project Area was approved on December 14, 1999, pursuant to Ordinance No. 800. This amendment allowed for the creation of another new Sub-Area in the El Cerrito/Temescal Canyon area.

Home Gardens. The first Sub-Area encompasses approximately 145 acres and is located in the unincorporated area of Home Gardens, situated between the cities of Riverside and Corona. The area is comprised of commercial, industrial, and some residentialland uses and has easy access to both State Route 91 and Interstate 15. A small portion of the project area was annexed into the city of Corona and includes a small industrial park.

Murrieta. The second Sub-Area consists of 200 acres within the city of Murrieta and is located between the cities of Lake Elsinore and Temecula. The Sub-Area was formed in 1986 and was subsequently included as part of the incorporation of the city of Murrieta in July of 1991. The Murrieta Sub-Area is located within the historic core of the city and remains mostly rural in nature with large residential lots, limited commercial, office and industrial development and several public facilities. The junction of Interstates 15 and 215 is approximately 1.5 miles southeast of the Sub-Area, making it a convenient location for businesses. The Agency has worked cooperatively with the City of Murrieta to implement a revitalization program to improve the historic district. Improvements implemented under the program include a streetscape project in which new decorative sidewalks, landscaping and lighting will be constructed. As the infrastructure improvements are being completed, the Façade Improvement Program is being utilized by business owners to renovate their commercial buildings along the street frontage.

Lakeland Village/Wildomar. The third Sub-Area was adopted in 1999 via Ordinance 793, and is located within the First Supervisorial District of Riverside County, adjacent to the city of Lake Elsinore. On July 1, 2008, the City of Wildomar incorporated and a portion of the sub-area is located within the Wildomar city limits. The entire sub-area is approximately 2,859 acres in size and consists of four non-contiguous areas in the communities of Lakeland Village, Sedco Hills, Cleveland Ridge and the City of Wildomar. The Lakeland Village/Wildomar Sub-Area borders the southern portion of Lake Elsinore. Over half of the Sub-Area is single-family residential, with some commercial development and several public facilities. Because the Sub-Area is adjacent to Lake Elsinore and the Cleveland National Forest, it has significant recreational potential.

El Cerrito/Temescal Canyon. This fourth Sub-Area of Project Area 1-1986 is located within the First and Second Supervisorial Districts of Riverside County, and was adopted in 1999 via Ordinance 800. The sub-area includes approximately 1,442 non-contiguous acres of land on both sides of the 15 Freeway near the City of Corona. The El Cerrito region is located north of Cajalco Road and the Temescal Canyon region is located south of Weirick Road. Residential uses make up the largest percentage of existing development in the area, particularly in the El Cerrito Sub-Area, while commercial and industrial development is prominent in the Temescal Canyon Sub-Area. A small portion of the El Cerrito region of the Sub-Area has been annexed into the City of Corona.

New Development Redevelopment Project Area No. 1. The primary area of industrial and commercial development in Redevelopment Project Area No. 1 is in the Temescal Canyon Sub-Area. As part of the southern Corona real estate market, this region has seen significant investment and job growth in the last several years. Projects such as the 300-acre commercial project developed by Castle and Cooke that includes a Regal Cinemas, Kohls, Best Buy, Chili's Restaurant, and Cost Plus World Market and the Wildrose Business Park which employs over 1,100 people and has an investment of over $50 million in several buildings have made the Temescal Canyon area one of the fastest growing regions of the County. In the future, the 400-acre Serrano industrial and commercial center will bring significant investment in new industrial and commercial facilities.

Land Use in Redevelopment Project Area No. 1. The majority of the land in Redevelopment Project Area No. 1 is used for residential purposes. The following table shows the land use in Redevelopment Project Area No. 1, based on 2009-10 assessed valuation.

Table B-1
REDEVELOPMENT PROJECT AREA NO. 1
Land Use; Fiscal Year 2009-10

Land Use	Secured AV (1)	% of AV	No. of Parcels	% of Parcels	Acres	% of Acres
Agricultural	$ 985,578	0.08%	4	0.06%	39	0.83%
Commercial	251,065,710	20.09	232	3.29	334	7.17
Industrial	208,454,626	16.68	72	1.02	264	5.68
Single-Family Res	481,107,070	38.50	3438	48.75	717	15.42
Other Residential	210,544,991	16.85	2,023	28.68	1,841	39.59
Vacant	95,878,967	7.67	1,253	17.77	1,430	30.75
Other	1,490,287	0.12	31	0.44	26	0.56
Totals:	$1,249,527,229	100.00%	7,053	100.00%	4,651	100.00%

(1) Valuations include homeowner's exemptions, restored by the Auditor prior to the calculation of tax increment.
Acreage is estimated using tax roll data and information provided by the Agency.
Source: Urban Analytics

Historic Assessed Valuation, Tax Revenues and Housing Tax Revenues. In Project Area No. 1, the assessment decreased by 4.73% in 2009-10. The decline in valuation was principally due to Proposition 8 reductions on a substantial number of residential properties. Project Area No, 1 has experienced growth ranging from 3.48% to 26.42% in the four prior years.

The table below shows a five-year history of assessed valuation in Redevelopment Project Area No. 1.

Table B-2
REDEVELOPMENT PROJECT AREA NO. 1
Historic Assessed Valuation, Tax Revenues and Housing Tax Revenues

Roll	2005-06	2006-07	2007-08	2008-09	2009-10
Secured					
Land	$332,440,985	$396,839,228	$449,213,120	$470,569,688	$440,986,037
Improvements	626,986,423	781,985,790	872,828,022	874,123,823	851,461,232
Personal Property	845,048	746,301	508,679	843,510	1,969,711
Exemptions	(34,502,707)	(38,093,463)	(39,303,053)	(24,465,471)	(44,889,751)
Secured Total	925,769,749	1,141,477,856	1,283,246,768	1,321,071,550	1,249,527,229
Unsecured					
Land	152,293	143,285	132,707	114,744	32,587
Improvements	40,847,245	57,758,082	58,002,188	68,428,212	71,876,348
Personal Property	35,390,499	41,370,710	46,362,293	46,446,123	46,664,760
Exemptions	(275,000)	(150,000)	0	0	(26,518)
Unsecured Total	76,115,037	99,122,077	104,497,188	114,989,079	118,547,177
Utility					
Land	907,351	1,409,883	1,351,476	1,351,476	1,351,476
Improvements	51,772	48,492	0	0	0
Personal Property	27,016	25,303	0	0	0
Exemptions	0	0	0	0	0
Utility Total	986,139	1,483,678	1,351,476	1,351,476	1,351,476
Totals:	1,002,870,925	1,242,083,611	1,389,095,432	1,437,412,105	1,369,425,882
Percent Change	26.42%	23.85%	11.84%	3.48%	(4.73)%
Plus: HOPTR AV	17,184,938	17,399,352	16,971,170	16,772,192	17,164,418
Less: Base AV	(446,601,282)	(446,601,282)	(446,601,282)	(446,601,282)	(446,601,282)
Incremental AV	573,454,581	812,881,681	959,465,320	1,007,583,015	939,989,018
Incremental Revenue	5,734,546	8,128,817	9,594,653	10,075,830	9,399,890
Plus: Additional Revenue (1)	1,457,575	1,439,299	1,259,699	277,869	(N.A.)
Tax Increment Collected	7,192,120	9,568,116	10,854,352	10,353,699	(N.A.)
Housing Tax Revenues Collected	$1,438,424	$1,913,623	$2,170,870	$2,070,740	(N.A.)

(1) Revenue from unitary and supplemental rolls, debt service levy, prior-year adjustments and other sources.
Source: Urban Analytics

Largest Taxpayers in Redevelopment Project Area No. 1. The following table shows the ten largest taxpayers in Redevelopment Project Area No. 1.

TABLE B-3
REDEVELOPMENT PROJECT AREA NO. 1
Largest Property Tax Payers

Property Owner	Secured and Utility	Unsecured	Total	Pct of Total
Castle & Cooke	$ 165,606,319	$ 2,002,811	$ 167,609,130	12.24%
Fleetwood Aluminum Products Inc	22,869,904	0	22,869,904	1.67
TRM Manufacturing	0	20,595,813	20,595,813	1.50
Target Corporation	17,732,975	0	17,732,975	1.29
Anaisa	14,899,362	0	14,899,362	1.09
Mcld Holdings LLC	0	10,810,460	10,810,460	0.79
Wildrose Ridge 17	10,284,890	0	10,284,890	0.75
14 Promenade Partnership L P	10,079,309	0	10,079,309	0.74
Temescal Canyon Storage Center	9,518,805	0	9,518,805	0.70
Robertshaw Controls Co LSE	9,146,549	0	9,146,549	0.67
Total, Top Ten:	260,138,113	33,409,084	293,547,197	21.44
Total, Top Twenty:	327,857,532	39,575,015	367,432,547	26.83
Total, Top Hundred:	480,535,390	72,335,691	552,871,081	40.37
Totals for the Area:	$1,250,878,705	$118,547,177	$1,369,425,882	100.00%

Source: Urban Analytics

Projection of Housing Tax Revenues. The table below show a projection of Housing Tax Revenues over the life of Redevelopment Project Area No. 1. The projections assume a 3.66% decrease in assessed valuation in all Project Areas for 2010-11, a 1.97% decrease in assessed valuation for 2011-12 and a return to 2% growth from 2012-13 forward. See "PROJECTED COVERAGE ON THE BONDS" in this Official Statement for further explanation of these assumptions.

TABLE B-4
REDEVELOPMENT PROJECT AREA NO. 1
Projected Housing Tax Revenues

Fiscal Year	Tax Revenues	Housing Tax Revenues
2009/10	$ 9,436,865	$1,887,373
2010/11	9,277,640	1,855,528
2011/12	9,540,441	1,908,088
2012/13	9,795,727	1,959,145
2013/14	10,056,119	2,011,224
2014/15	10,321,718	2,064,344
2015/16	10,592,630	2,118,526
2016/17	10,868,960	2,173,792
2017/18	11,150,817	2,230,163
2018/19	11,438,311	2,287,662
2019/20	11,731,554	2,346,311
2020/21	12,030,663	2,406,133
2021/22	12,335,753	2,467,151
2022/23	12,646,946	2,529,389
2023/24	12,964,362	2,592,872
2024/25	13,288,127	2,657,625
2025/26	13,618,367	2,723,673
2026/27	13,955,211	2,791,042
2027/28	14,298,793	2,859,759
2028/29	14,649,246	2,929,849
2029/30	15,006,708	3,001,342
2030/31	15,371,320	3,074,264
2031/32	15,743,224	3,148,645
2032/33	16,122,566	3,224,513
2033/34	16,509,494	3,301,899
2034/35	16,904,162	3,380,832
2035/36	17,306,722	3,461,344
2036/37	17,717,334	3,543,467
2037/38	15,026,569	3,005,314
2038/39	15,393,718	3,078,744
2039/40	15,768,210	3,153,642

Source: Urban Analytics

The Jurupa Valley Redevelopment Project Area

General. The Board adopted the Jurupa Valley Project Area on July 9, 1996, via Ordinance No. 763. The project area formation involved the merger of three existing redevelopment project areas, Project Areas Nos. 2, 2-1987 and 2-1989, totaling approximately 5,845 acres; and included an addition of 10,750 acres of territory (the "Amendment Area") to the merged project areas. Project Area No. 2 was amended twice before the merger, thereby adding an additional 1,901 acres to the previous 3,984 acres. The JVPA is a single contiguous project area and is located in the northwest region of the County. The total acreage for the project area is 16,600 acres, and it is comprised of the following Sub-Areas: Mira Loma, Rubidoux, Pedley, Glen Avon, and the Amendment Area.

Mira Loma. Located in the northwestern-most portion of the County, the community of Mira Loma has evolved into a large-scale industrial center. This center includes 2,489 acres from the original project area, generally located north of State Route 60 and primarily industrial in nature. The sub-area also includes a portion of the Amendment Area which resulted in the addition of industrial land along Interstate 15 south of State Route 60. Numerous corporate warehouse/distribution and manufacturing firms have located large facilities in this sub-area, including Nestlé, Costco, Anheuser-Busch, Union Pacific and many others. Like much of the land in this region, warehouse distribution and industrial development has steadily replaced dairy farms and grape vineyards. Most of the land in the sub-area is zoned either commercial or industrial. The southwestern portion of the sub-area consists mostly of older single-family residences with scattered neighborhood commercial uses.

Rubidoux. The community of Rubidoux is an older community with a rich historical past dating back to the turn of the century. Rubidoux lies just west of the city of Riverside and is adjacent to State Route 60, which is one of two major arterials linking Riverside County to the larger Los Angeles region. The original project area included approximately 1,092 acres of commercial property primarily along two major thoroughfares: Mission and Rubidoux Boulevards. The Amendment Area added residential area outside the commercial core and included some heavy industrial areas along Market Street north of the commercial core. The commercial corridor along Mission Boulevard has been the undergoing a comprehensive revitalization program administered by the Agency. Improvements included upgrades to the existing water system in order to meet fire flow requirements and to serve future development along the boulevard. Other program components include street improvements, landscaping, upgraded lighting and a façade improvement program. The residential areas in Rubidoux primarily contain low to moderate-income housing. The Agency has planned water system improvements and a residential rehabilitation program to help improve the housing stock.

The industrial area in Rubidoux is located north of State Route 60 and a portion of the project area is within a state designated Recycling Market Development Zone/Enterprise Zone (RMDZ/EZ) called the Agua Mansa Enterprise Zone. The Enterprise Zone offers state tax credits to businesses and the Recycling Market Development Zone has a low-interest loan program for manufacturers of recycled products.

Pedley. The community of Pedley contains a large portion of the newest housing stock in the JVPA. The original project area contained 777 acres along Limonite Avenue east of Van Buren Boulevard. The Amendment Area included an older residential area just to the west of Van Buren Boulevard. Both suburban and rural in character, the center of the community lies at the intersection of Van Buren Boulevard and Limonite Avenue adjacent to the Santa Ana River. This area is characterized by neighborhood commercial land uses and various types of housing product. The northern and southern portions of the community are designated for industrial development. However, most of the industrial parcels are smaller than those in Mira Loma. The area adjacent to the two heavily traveled roadways, Limonite Avenue and Van Buren Boulevard, has been recognized as having potential for future commercial development.

Glen Avon. The community of Glen Avon is located south of State Route 60 between Mira Loma and Rubidoux. Bisected by Mission Boulevard, Glen Avon consists mostly of residential and neighborhood commercial uses. The original project area included 120 acres in the commercial core of the area. The Amendment to the project area enabled the Agency to add a large amount of land extending west to Mira Loma and east to Rubidoux. Land uses consist of scattered residential and commercial development and some fallow agricultural land. It is expected that the central location between Mira Loma and Rubidoux should encourage new growth in Glen Avon.

New Development in the Jurupa Valley Redevelopment Project Area. Historically, the Jurupa Valley Redevelopment Project Area has seen significant industrial and commercial activity due to its location along the major transportation routes in northwest Riverside County. This level of demand will continue, particularly in the older parts of the project area. The Agency has expanded the Façade Improvement Program within the project area, and has assisted businesses, primarily along the Mission Boulevard Corridor, with exterior improvements that have worked towards revitalizing the commercial core of the area. New projects include the 80 acre Lewis Commercial development at Interstate 15 and Limonite Avenue where a Home Depot, Vons, Regal Cinemas, Target, and various other retailers will locate. Phase I of the project is complete and Phase II is well under construction. Industrial Developments International, Space Center and other industrial developers are building or will be building several million square feet of industrial space in the Mira Loma area which will generate significant increment for the project area. The Rubidoux/Agua Mansa area will also see new development as developers move eastward in the project area. In Rubidoux, The Emerald Meadows Specific Plan will provide approximately 1,000 new homes and retail development on approximately 250 acres.

Land Use in the Jurupa Valley Redevelopment Project Area. The largest use of the land in the Jurupa Valley Redevelopment Project Area in terms of assessed value is for industrial purposes. The following table shows the land use in the Jurupa Valley Redevelopment Project Area, based on 2009-10 assessed valuation.

TABLE B-5
JURUPA VALLEY REDEVELOPMENT PROJECT AREA
Land Use; Fiscal Year 2009-10

Land Use	Secured AV [(1)]	% of AV	No. of Parcels	% of Parcels	Acres	% of Acres
Agricultural	$ 7,066,246	0.17%	13	0.10%	20	0.12%
Commercial	570,390,141	13.82	605	4.63	369	2.22
Industrial	1,652,824,601	40.04	248	1.90	651	3.92
Single-Family Res	1,167,596,924	28.28	8,503	65.06	1,066	6.42
Other Residential	280,516,376	6.80	1,619	12.39	12,942	77.96
Vacant	443,805,709	10.75	1,908	14.60	1,328	8.00
Other	5,984,220	0.14	173	1.32	224	1.35
Totals:	$4,128,184,218	100.00%	13,069	100.00%	16,600	100.00%

(1) Valuations include homeowner's exemptions, restored by the Auditor prior to the calculation of tax increment.
Acreage is estimated using tax roll data and information provided by the Agency._
Source: Urban Analytics

Historic Assessed Valuation. The Jurupa Valley Redevelopment Project Area decreased in valuation by 3.73% in 2009-10, a drop also attributable to Proposition 8 reductions in valuation on residential properties. The project area has experienced rates of growth in the previous four years ranging from 7.37% to 16.14%.

The table below shows a five-year history of assessed valuation in the Jurupa Valley Redevelopment Project Area.

TABLE B-6
JURUPA VALLEY REDEVELOPMENT PROJECT AREA
Historic Assessed Valuation, Tax Revenues and Housing Tax Revenues

Roll	2005-06	2006-07	2007-08	2008-09	2009-10
Secured					
Land	$1,039,076,005	$1,237,366,711	$1,459,606,278	$1,593,491,722	$1,533,212,329
Improvements	1,958,362,935	2,252,971,112	2,581,971,711	2,754,356,517	2,618,113,112
Personal Property	37,605,247	41,068,766	49,359,918	49,585,217	59,492,822
Exemptions	(67,098,440)	(75,161,444)	(77,724,311)	(82,134,772)	(82,634,045)
Secured Total	2,967,945,747	3,456,245,145	4,013,213,596	4,315,298,684	4,128,184,218
Unsecured					
Land	134,238	124,255	37,285	37,351	29,278
Improvements	136,682,464	134,091,866	159,848,014	183,733,105	198,332,967
Personal Property	139,375,968	151,073,506	175,706,785	170,702,874	172,430,973
Exemptions	0	0	(23,389)	0	(220,000)
Unsecured Total	276,192,670	285,289,627	335,568,695	354,473,330	370,573,218
Utility					
Land	2,776,444	3,835,509	2,919,486	3,034,076	2,950,053
Improvements	7,302,377	6,136,579	5,726,303	5,515,445	2,160,568
Personal Property	823,107	660,295	280,436	348,732	355,415
Exemptions	0	0	0	0	0
Utility Total	10,901,928	10,632,383	8,926,225	8,898,253	5,466,036
Totals:	3,255,040,345	3,752,167,155	4,357,708,516	4,678,670,267	4,504,223,472
Percent Change	11.96%	15.27%	16.14%	7.37%	(3.73)%
Plus: HOPTR AV	33,515,045	33,231,511	32,601,944	32,994,884	32,540,684
Less: Base AV	(1,104,611,835)	(1,104,611,835)	(1,104,611,835)	(1,104,611,835)	(1,104,611,835)
Incremental AV	2,183,943,555	2,680,786,831	3,285,698,625	3,607,053,316	3,432,152,321
Incremental Revenue	21,839,436	26,807,868	32,856,986	36,070,533	34,321,523
Plus: Additional Revenue (1)	5,124,723	4,154,132	4,571,252	1,161,593	(N.A.)
Tax Increment Collected	26,964,158	30,962,001	37,428,238	37,232,127	(N.A.)
Housing Tax Revenues Collected	$5,392,832	$6,192,400	$7,485,648	$7,446,425	(N.A.)

(1) Revenue from unitary and supplemental rolls, debt service levy, prior-year adjustments and other sources.
Source: Urban Analytics

Largest Taxpayers in the Jurupa Valley Redevelopment Project Area. The following table shows the ten largest taxpayers in the Jurupa Valley Redevelopment Project Area.

TABLE B-7
JURUPA VALLEY REDEVELOPMENT PROJECT AREA
Largest Property Tax Payers

Property Owner	Secured and Utility	Unsecured	Total	Pct of Total
AMB Institutional Alliance	$ 137,961,117	$ 0	$ 137,961,117	3.06%
Teachers Insurance Annuity Assn	125,932,897	0	125,932,897	2.80
Eastvale Gateway	103,143,755	0	103,143,755	2.29
Costco Wholesale Corp	93,676,621	652,984	94,329,605	2.09
Ups Supply Chain Solutions	86,127,919	0	86,127,919	1.91
Prologis Calif I	81,783,630	0	81,783,630	1.82
Metal Container Corp	72,451,308	6,086	72,457,394	1.61
12071 Bellegrave Ave	54,569,336	0	54,569,336	1.21
Ontario Warehouse 1 Inc	48,911,129	0	48,911,129	1.09
Mira Loma Vineyards Ltd	47,649,078	0	47,649,078	1.06
Total, Top Ten:	852,206,790	659,070	852,865,860	18.93
Total, Top Twenty:	1,195,699,152	659,070	1,196,358,222	26.56
Total, Top Hundred:	2,019,997,342	202,971,965	2,222,969,307	49.35
Totals for the Area:	$4,133,650,254	$370,573,218	$4,504,223,472	100.00%

Source: Urban Analytics

Projection of Housing Tax Revenues. The table below show a projection of Housing Tax Revenues over the life of the Jurupa Valley Redevelopment Project Area. The projections assume a 3.66% decrease in assessed valuation in all Project Areas for 2010-11, a 1.97% decrease in assessed valuation for 2011-12 and a return to 2% growth from 2012-13 forward. See "PROJECTED COVERAGE ON THE BONDS" in this Official Statement for further explanation of these assumptions.

TABLE B-8
JURUPA VALLEY REDEVELOPMENT PROJECT AREA
Projected Housing Tax Revenue

Fiscal Year	Tax Revenues	Housing Tax Revenues
2009/10	$34,432,284	$ 6,886,457
2010/11	33,915,817	6,783,163
2011/12	34,768,237	6,953,647
2012/13	35,596,296	7,119,259
2013/14	36,440,916	7,288,183
2014/15	37,302,428	7,460,486
2015/16	38,181,171	7,636,234
2016/17	39,077,488	7,815,498
2017/18	39,991,732	7,998,346
2018/19	40,924,260	8,184,852
2019/20	41,875,439	8,375,088
2020/21	42,845,642	8,569,128
2021/22	43,835,249	8,767,050
2022/23	44,844,648	8,968,930
2023/24	45,874,235	9,174,847
2024/25	46,924,413	9,384,883
2025/26	47,995,595	9,599,119
2026/27	49,088,201	9,817,640
2027/28	50,202,659	10,040,532
2028/29	51,339,406	10,267,881
2029/30	52,498,888	10,499,778
2030/31	53,681,560	10,736,312
2031/32	54,887,885	10,977,577
2032/33	56,118,337	11,223,667
2033/34	57,373,398	11,474,680
2034/35	58,653,560	11,730,712
2035/36	59,959,325	11,991,865
2036/37	61,291,205	12,258,241
2037/38	56,545,074	11,309,015
2038/39	55,140,923	11,028,185
2039/40	54,169,722	10,833,944

Source: Urban Analytics

The Mid-County Redevelopment Project Area

General. The Mid-County Project Area originally consisted of three project areas: Project Area Nos. 3 (3-1986), 3-1987, and 3-1989. Project Area 3-1986 originally included area in the communities of Garnet, Valle Vista, West Garnet, Homeland and Winchester; Project Area 3-1987 included portions of the community of North Hemet; and Project Area 3-1989 included area within the community of Cabazon. The Board approved the original boundaries of the Project Area No. 3 on December 23, 1986 via Ordinance No. 637; Project Area 3-1987 on December 22, 1987 via Ordinance No. 646; and, Project Area No. 3-1989 on July 11, 1989 via Ordinance No. 676.

In 1999, the project areas were merged and amended, adding approximately 1,307 acres to the Homeland sub-area (renamed Homeland/Green Acres). Both the amendment and merger were approved in May 1999, via Ordinances Nos. 785 and 786, respectively. On January 13, 2009, Amendment No. 2 to the MCPA was adopted via Ordinance No. 887, and added 2,693 acres in the Garnet and West Garnet communities to the sub-area. The current project area is composed of approximately 9,740 acres.

<u>Garnet.</u> Garnet is located in the Fifth Supervisorial District, at the intersection of Interstate 10 and Indian Avenue, directly between Palm Springs and Desert Hot Springs and serves as an entry point for both cities. The community includes approximately 250 acres of underutilized properties. A portion of the sub-area is within Palm Springs city limits and a portion is within the Desert Hot Springs sphere of influence. Business in Garnet has traditionally focused on tourist commercial establishments, including auto service facilities. This focus has shifted toward quality industrial and commercial development as the surrounding area has changed. The recent development of business parks and freeway improvements makes the area ideal for future industrial and commercial development. Additional territory was added to the Garnet sub-area in January 2009, as part of Amendment No. 2.

<u>Homeland/Green Acres.</u> The original Homeland sub-area included approximately 120 acres of land situated between the cities of Perris and Hemet. Amendment No. 1 enabled the Agency to add more territory from both the adjacent Homeland and Green Acres communities to the sub-area. The amended area is contiguous and is predominately residential in nature. Portions of the sub-area are located in both the Third and Fifth Supervisorial Districts; and the sub-area is bisected by Highway 74, one of two major east-west arterials in the region that connects with Interstate 215. Commercial land uses front Highway 74 and serve as the core of the community. Diamond Valley Lake is located south of the sub-area, and is Southern California's largest drinking water storage facility with 800,000 acre feet or 269 billion gallons of water storage. Numerous recreational opportunities have been made available, including but not limited to bicycling, hiking and equestrian trails, picnicking, camping, golfing, fishing, sailing, and special events. Access to the lake is from Highway 79, which runs south from Highway 74. As such, a large number of visitors are likely to travel through the sub-area.

<u>Winchester.</u> The Winchester Sub-Area is located between the cities of Temecula and Hemet and is bisected by Highway 79. The Sub-Area consists of approximately 30 acres of commercial property that fronts Highway 79 and serves as the core of the community. The Sub-Area was created in this small rural community in order to strengthen the commercial base in a single location, and to revitalize the service commercial and neighborhood commercial uses in this area. Highway 79 serves as a major north-south arterial through the Mid-County region and, as mentioned above, is the primary link between Interstate 215 and the Diamond Valley Lake. Plans are underway to widen this major thoroughfare in order to accommodate the anticipated growth from the reservoir and surrounding development.

Valle Vista. The Valle Vista sub-area includes 550 acres located along Highway 74 portions of which are located within the city of Hemet, in the Third Supervisorial District. The sub-area consists of commercial uses along the highway frontage; residential uses are located to the north and south of the commercial corridor. Highway 74 is the main route to numerous recreational opportunities offered by the San Jacinto Mountains, Lake Hemet, and Diamond Valley Lake. It is expected that this sub-area will benefit from the increase in traffic flow, enabling an increase in commercial development and general revitalization. In general, commercial development opportunities in the Sub-Area remain strong, because the residential development in the recent past in the surrounding area has continued at a strong pace. Growth potential for the area should also be enhanced by the Agency's recent infrastructure investments in the Sub-Area, such as road and water improvements. A new sheriff sub-station and library expansion have also been recently constructed.

West Garnet. The West Garnet sub-area is located in the Fifth Supervisorial District, and consists of 144 acres located south of Interstate 10 and is near the city of Palm Springs. The sub-area is located in a designated wind energy zone, which is the prevailing development in the area. Additional territory was added to the sub-area in January 2009 with the adoption of Amendment No. 2 to the MCPA. The Sub-Area is located in a designated wind energy zone, which is the prevailing development in the area.

North Hemet. Originally known as Project Area No. 3-1987, the Sub-Area of North Hemet was approved by the Board on December 22, 1987 via Ordinance No. 646. The Sub-Area is approximately 40 acres in size and is comprised of unincorporated County land and land incorporated by the city of Hemet. Generally, the Sub-Area contains commercial uses that face State Street, vacant and underutilized parcels north of Menlo Avenue and residences adjacent to Alessandro Avenue. The Agency is in the process of developing a master mixed-use revitalization plan for the Sub-Area.

Cabazon. Originally called Project Area No. 3-1989, the Sub-Area of Cabazon was approved by the Board of July 11, 1989 pursuant to Ordinance No. 676. The community of Cabazon is located between the cities of Banning and Palm Springs and shares boundaries with the Morongo Indian Reservation to the north and southeast. The 4,598 acre Sub-Area is bisected by Interstate 10 which is the major east-west corridor linking the westernmost portion of the County with the desert region. The community contains both sloping and flat terrain and is surrounded by the spectacular peaks of the San Jacinto and San Gorgonio Mountains. The land uses in the Sub-Area consist of a large-scale commercial retail outlet (473,000 square feet) comprised of 120 stores, the popular dinosaur tourist stop with restaurants and hotels, and rural residential. Immediately east of the Sub-Area is the Morongo Band of Indians Casino and Hotel, which has increased tourism in the area.

New Development in the Mid-County Redevelopment Project Area. The Mid-County Redevelopment Project Area is primarily experiencing moderate residential growth with appurtenant retail to follow in all the sub-areas. It is expected that the new Morongo Casino, Resort, and Spa will stimulate commercial retail and service development in the Cabazon Sub-Area. In addition, a Phase II expansion to the Cabazon Outlets is projected to be constructed in the future. In the Winchester Sub-Area, residential growth will help stimulate retail activity in the area.

Land Use in the Mid-County Redevelopment Project Area. The largest use of the land in the Mid-County Redevelopment Project Area in terms of assessed value is for commercial purposes. The following table shows the land use in the Mid-County

Redevelopment Project Area, based on 2009-10 assessed valuation.

TABLE B-9
MID-COUNTY REDEVELOPMENT PROJECT AREA
Land Use; Fiscal Year 2009-10

Land Use	Secured AV [1]	% of AV	No. of Parcels	% of Parcels	Acres	% of Acres
Commercial	$239,528,973	37.24	162	2.89	282	4.00
Industrial	33,454,514	5.20	24	0.43	482	6.84
Single-Family Res	121,716,373	18.92	1,042	18.62	346	4.90
Other Residential	146,896,968	22.84	1837	32.82	1,523	21.62
Vacant	101,330,371	15.75	2,453	43.83	3,788	53.75
Other	321,656	0.05	79	1.41	626	8.88
Totals:	$643,248,855	100.00%	5,597	100.00%	7,047	100.00%

(1) Valuations include homeowner's exemptions, restored by the Auditor prior to the calculation of tax increment.
Acreage is estimated using tax roll data and information provided by the Agency._
Source: Urban Analytics

Historic Assessed Valuation. The Mid-County Redevelopment Project Area experienced a valuation gain of 3.71% in 2009-10, following gains of between 12.71% and 14.61% in the previous four years. The 2009-10 roll shows a $46 million gain in valuation from secured improvements and a $26 million decrease in secured land valuation for a net gain of $20 million. The Desert Hills shopping center owned by Chelsea GCA Realty Partnership gained $50 million in valuation in 2009-10.

The table below shows a five-year history of assessed valuation in the Mid-County Redevelopment Project Area.

TABLE B-10
MID-COUNTY REDEVELOPMENT PROJECT AREA
Historic Assessed Valuation, Tax Revenues and Housing Tax Revenues

Roll	2005-06	2006-07	2007-08	2008-09	2009-10
Secured					
Land	$164,974,741	$190,321,811	$218,675,361	$258,674,240	$232,325,504
Improvements	270,693,308	311,750,091	353,953,243	386,786,561	432,817,428
Personal Property	338,069	210,977	686,349	706,585	783,529
Exemptions	(18,307,945)	(21,975,108)	(22,129,994)	(22,563,059)	(22,677,606)
Secured Total	417,698,173	480,307,771	551,184,959	623,604,327	643,248,855
Unsecured					
Land	11,542	9,538	234	1,060	1,081
Improvements	20,759,013	21,879,516	23,947,989	25,956,300	29,865,277
Personal Property	17,479,776	18,740,743	19,475,522	20,638,349	21,933,917
Exemptions	0	0	0	0	0
Unsecured Total	38,250,331	40,629,797	43,423,745	46,595,709	51,800,275
Utility					
Land	92,625	115,723	69,784	69,784	69,784
Improvements	41,949	34,490	0	0	0
Personal Property	24,014	19,744	0	0	0
Exemptions	0	0	0	0	0
Utility Total	158,588	169,957	69,784	69,784	69,784
Totals:	456,107,092	521,107,525	594,678,488	670,269,820	695,118,914
Percent Change	14.61%	14.25%	14.12%	12.71%	3.71%
Plus: HOPTR AV	7,923,822	7,788,654	7,679,868	7,487,872	7,493,086
Less: Base AV	(127,023,198)	(127,023,198)	(127,023,198)	(127,023,198)	(127,023,198)
Incremental AV	337,007,716	401,872,981	475,335,158	550,734,494	575,588,802
Incremental Revenue	3,370,077	4,018,730	4,753,352	5,507,345	5,755,888
Plus: Additional Revenue (1)	846,527	978,911	1,170,006	983,477	(N.A.)
Tax Increment Collected	4,216,604	4,997,640	5,923,358	6,490,822	(N.A.)
Housing Tax Revenues Collected	843,321	999,528	1,184,672	1,298,164	(N.A.)

(1) Revenue from unitary and supplemental rolls, debt service levy, prior-year adjustments and other sources.
Source: Urban Analytics

Largest Taxpayers in the Mid-County Redevelopment Project Area. The following table shows the ten largest taxpayers in the Mid-County Redevelopment Project Area.

TABLE B-11
MID-COUNTY REDEVELOPMENT PROJECT AREA
Largest Property Tax Payers

Property Owner	Secured and Utility	Unsecured	Total	Pct of Total
Chelsea GCA Realty Partnership	$ 98,068,169	$ 98,459	$ 98,166,628	14.12%
Morongo Band Of Mission Indians	20,761,798	0	20,761,798	2.99
Osborne Dev Corp	17,697,988	86,112	17,784,100	2.56
Cabazon Co Stores	12,091,633	0	12,091,633	1.74
Solarium Capital	9,363,598	0	9,363,598	1.35
Oaktree Apartments	8,082,166	0	8,082,166	1.16
Essex Palm Springs I	7,746,812	0	7,746,812	1.11
Hemet Church Of The Nazarene	5,469,669	0	5,469,669	0.79
R R M Prop Ltd	5,449,813	0	5,449,813	0.78
Ash Prop Inc	4,386,173	0	4,386,173	0.63
Total, Top Ten:	189,117,819	184,571	189,302,390	27.23
Total, Top Twenty:	223,096,255	184,571	223,280,826	32.12
Total, Top Hundred:	302,958,016	18,982,606	321,940,622	46.31
Totals for the Area:	643,318,639	51,800,275	695,118,914	100.00%

Source: Urban Analytics

Projection of Housing Tax Revenues. The table below show a projection of Housing Tax Revenues over the life of the Mid-County Redevelopment Project Area. The projections assume a 3.66% decrease in assessed valuation in all Project Areas for 2010-11, a 1.97% decrease in assessed valuation for 2011-12 and a return to 2% growth from 2012-13 forward. See "PROJECTED COVERAGE ON THE BONDS" in this Official Statement for further explanation of these assumptions.

TABLE B-12
MID-COUNTY REDEVELOPMENT PROJECT AREA
Projected Housing Tax Revenues

Fiscal Year	Tax Revenues	Housing Tax Revenues
2009/10	$5,774,792	$1,154,958
2010/11	5,693,043	1,138,609
2011/12	5,827,977	1,165,595
2012/13	5,959,046	1,191,809
2013/14	6,092,737	1,218,547
2014/15	6,229,101	1,245,820
2015/16	6,368,193	1,273,639
2016/17	6,510,067	1,302,013
2017/18	6,654,778	1,330,956
2018/19	6,802,383	1,360,477
2019/20	6,952,941	1,390,588
2020/21	7,106,509	1,421,302
2021/22	7,263,149	1,452,630
2022/23	7,422,922	1,484,584
2023/24	7,585,890	1,517,178
2024/25	7,752,118	1,550,424
2025/26	7,921,670	1,584,334
2026/27	8,094,613	1,618,923
2027/28	8,271,015	1,654,203
2028/29	8,450,945	1,690,189
2029/30	8,634,474	1,726,895
2030/31	8,821,673	1,764,335
2031/32	9,012,617	1,802,523
2032/33	9,207,379	1,841,476
2033/34	9,406,036	1,881,207
2034/35	9,608,667	1,921,733
2035/36	9,815,350	1,963,070
2036/37	7,274,380	1,454,876
2037/38	2,115,791	423,158
2038/39	2,116,277	423,255
2039/40	2,170,375	434,075

Source: Urban Analytics

The Desert Communities Redevelopment Project Area

General. The Desert Communities Redevelopment Project Area originally contained two separate project areas known as Project Area No. 4 (also known as 4-1986) and 4-1987. The Riverside County Board of Supervisors (the "Board") approved the original boundaries of Project Area No. 4 on December 23, 1986 via Ordinance No. 638. Project Area No. 4-1987 was approved by the Board on December 1, 1987 via Ordinance No. 647. The Airports-1988 project area was approved by the Board on December 19, 1988, via Ordinance No. 668 and consists of six general aviation airports. On July 20, 1999, the Board approved the merger of both project areas with the Airports-1988 project area.

The merged project area consists of nine sub-areas, encompassing approximately 27,590 acres. At the same time the merger was approved, the Board approved the addition of more land to the Thousand Palms sub-area, which included approximately 408 additional acres in the community of Thousand Palms. Both the amendment and merger were approved via Ordinances Nos. 794 and 795, respectively. On January 13, 2009, Amendment No. 2 to the Desert Communities Redevelopment Project Area was adopted via Ordinance No. 886, and added 1,975 acres in the 100 Palms, Oasis, Mecca and North Shore communities to the project area. The current project area includes a total of 29,565 acres.

East Blythe. The East Blythe Sub-Area is comprised of 1,500 acres. A significant portion of the Sub-Area was annexed by the city of Blythe when it extended its city limits to the Colorado River.

Desert Center. The Desert Center Sub-Area contains approximately 375 acres in two non-contiguous areas located along Ragsdale and Kaiser Roads, adjacent to the Lake Tamarisk area. The Lake Tamarisk area is made up of residential and recreational uses. The Sub-Area is comprised of irregularly shaped areas, vacant and underutilized parcels. The southern Sub-Area is a combination of developed public and utility land.

Mecca. The Mecca Sub-Area is comprised of 350 acres and is located in the eastern Coachella Valley. Recent developments include the extension of water and sewer lines to the north of Mecca along Lincoln Street. These infrastructure extensions have allowed the development of new affordable single-family housing projects including the Village at Mecca (91 units), Las Serenas (87 units), as well as the 106 space Mecca Mobile Home Park, the 31 unit Chapultepec Apartments, and the 128 unit Las Mananitas migrant farm worker housing project. The Agency also has assisted with the 10-acre Mecca Migrant Farm Labor Village located on Avenue 63, east of Lincoln Street. Currently, the Agency is constructing a Mecca Health Clinic, a library, and a Sheriff's Station in the Sub-Area. Additional acreage was added to the Mecca sub-area in January 2009.

North Shore. The North Shore Sub-Area is a small residential and retirement community located on the northern end of the Salton Sea and is comprised of 54 acres. Additional acreage was added to the North Shore sub-area in January 2009, expanding the possibility of future development.

Palm Desert Country Club. The Palm Desert Country Club Sub-Area is located adjacent to the city of Palm Desert and is primarily commercial and residential in nature. The Sub-Area is approximately 86 acres in size. Recent street improvements, traffic signalization and commercial and retail development in the Sub-Area have attracted new housing and commercial development.

Ripley. The Ripley Sub-Area is comprised of 830 acres and is located within a small, rural community that is made up of residential, commercial and agricultural-related industrial land uses. In addition, there are a number of vacant and underutilized properties. A spur of the Atcheson, Topeka and Santa Fe Railroad runs through the northern part of the project area.

Thermal. The Thermal Sub-Area is comprised of 17,250 acres located in the eastern Coachella Valley, with approximately 1,600 acres of land located in the northeasterly portion of the Sub-Area being suitable for industrial development. The Sub-Area also includes the 1,800 acre Jacqueline Cochran Regional Airport (formerly Desert Resorts Regional Airport and previously Thermal Airport), a large general aviation facility. The Thermal Sub-Area is at the confluence of the spheres of influence of Coachella, La Quinta, and Indio. It is generally thought that the long-term improvement and development of the Jacqueline Cochran Regional Airport will constitute a major opportunity for the area, and that future industrial development would be enhanced by anticipated airport improvement activities. The Agency has engaged in a number of public infrastructure improvements, including streets, curbs, gutters, flood control, a community center, school facility improvements, and water system improvements.

Thousand Palms. The Thousand Palms Sub-Area was originally 285 acres in size. In July of 1999, the Board approved an amendment to allow for the addition of new territory to the Sub-Area. The total acreage of the Sub-Area is 693 acres. The Sub-Area is adjacent to Interstate 10 north of the city of Rancho Mirage. The Coachella Valley Enterprise Zone was recently extended into this area to encourage new businesses to the area through the provision of state tax credits. The Agency is in the process of developing a new library, fire station and street improvements along Varner Road and Monterey Avenue.

Oasis. The Oasis Sub-Area was adopted in January 2009, and is located fairly close to the Salton Sea, and the area is also adjacent to Tribal lands, and can be characterized by sporadic commercial and residential development, as well as vacant land.

100 Palms. The 100 Palms sub-area, was adopted in January 2009, and is located adjacent to the existing Thermal sub-area and Tribal lands. Land uses are represented by sporadic commercial and residential development, and vacant land.

Airports. The Airports Sub-Area consists of six general aviation airports. The following is a brief description of each of the airports. All of the airports with the exception of Flabob Airport are owned by the County. It should be noted that the Jacqueline Cochran Regional Airport (formerly known as Desert Resorts Regional Airport, and previously Thermal Airport) is within the boundaries of the Thermal Sub-Area.

Blythe Airport is located in the Colorado River Valley in the easternmost part of the County. It is seven miles west of the city of Blythe along Interstate 10. The airport is owned by the County and it is leased to and operated by the city of Blythe.

Chiraco Summit Airport is located in the Coachella Valley and is immediately adjacent to Interstate 10. To the south of the airport are the Orocopia and Chocolate Mountains and the Salton Sea. To the north are the San Bernardino Mountains, Joshua Tree National Park and Eagle Mountain.

Desert Center Airport is located north of Interstate 10 and east of State Highway 177. It is near the unincorporated communities of Desert Center and Lake Tamarisk.

Flabob Airport is located near the community of Rubidoux in the northwestern portion of the County. The airport is privately owned and operated.

French Valley Airport is located in the southwest portion of the County, adjacent to the communities of Temecula, Murrieta and Winchester. The airport is located adjacent to Highway 79 and is only minutes away from Interstates 15 and 215. The major runway is currently being extended to enhance safety margins for aircraft utilizing the airport facility.

Hemet-Ryan Airport is located in the San Jacinto Valley area of the County and provides convenient access to the mid-County region, including the cities of Hemet and San Jacinto and Diamond Valley Reservoir. Highways 74 and 79 provide easy access to the airport.

New Development in The Desert Communities Redevelopment Project Area

To date, the primary area of industrial and commercial development in The Desert Communities Redevelopment Project Area has been the Thousand Palms Sub-Area. This area has seen significant investment and job growth in the last several years, primarily in the form of large industrial parks and various types of commercial developments. Future industrial development is expected to be focused upon the Thermal Sub-Area, as there are large tracts of industrially-zoned land in the area surrounding Jacqueline Cochran Regional Airport (JCRA) that are served by numerous transportation assets, including Highway 86S (the NAFTA Corridor), Interstate 10, a Union Pacific Railroad main line (with a spur extending directly into the community), and the 1,800 acre JCRA property itself, which is capable of handling large cargo-carrying jet aircraft. Also, the Thermal Sub-Area is within the Coachella Valley Enterprise Zone, the Desert Communities Empowerment Zone, and is eligible for inclusion in the Palm Springs Foreign Trade Zone. High value residential and resort development has occurred in the Thermal Sub-Area, including various phases of PGA West. High-end residential development is expected to continue, much of which will likely occur in the Vista Santa Rosa area, which is west of JCRA and south of PGA West.

Land Use in The Desert Communities Redevelopment Project Area. The largest use of the land in The Desert Communities Redevelopment Project Area in terms of assessed value is for residential purposes. The following table shows the land use in The Desert Communities Redevelopment Project Area, based on 2009-10 assessed valuation.

TABLE B-13
DESERT COMMUNITIES REDEVELOPMENT PROJECT AREA
Land Use; Fiscal Year 2009-10

Land Use	Secured AV (1)	% of AV	No. of Parcels	% of Parcels	Acres	% of Acres
Agricultural	$ 241,925,132	9.39%	428	5.06%	4,193	15.20%
Commercial	199,832,445	7.75	285	3.37	1,242	4.50
Industrial	135,573,629	5.26	106	1.25	147	0.53
Single-Family Res	1,608,336,185	62.40	3820	45.18	485	1.76
Other Residential	49,244,543	1.91	522	6.17	1,387	5.03
Vacant	298,590,690	11.59	3,012	35.62	3,258	11.81
Other	43,773,713	1.70	283	3.35	16,878	61.18
Totals:	$2,577,276,338	100.00	8,456	100.00	27,590	100.00

(1) Valuations include homeowner's exemptions, restored by the Auditor prior to the calculation of tax increment.
Acreage is estimated using tax roll data and information provided by the Agency._
Source: Urban Analytics

Historic Assessed Valuation. In the Desert Communities Project Area rates of growth over the past five years have ranged from 27.14% in 2006-07 to -4.87% in 2009-10. The decrease in assessed valuation for 2009-10 in the Desert Communities Project Area was principally the result of the Proposition 8 reductions in valuation primarily on residential properties.

The table below shows a five-year history of assessed valuation in The Desert Communities Redevelopment Project Area.

TABLE B-14
DESERT COMMUNITIES REDEVELOPMENT PROJECT AREA
Historic Assessed Valuation, Tax Revenues and Housing Tax Revenues

Roll	2005-06	2006-07	2007-08	2008-09	2009-10
Secured					
Land	$596,071,699	$935,969,620	$1,212,580,592	$1,205,018,066	$1,085,886,143
Improvements	700,832,803	986,217,428	1,257,564,754	1,466,393,850	1,503,521,173
Personal Property	8,424,470	8,848,820	8,906,105	8,780,964	8,425,957
Exemptions	(9,058,454)	(10,072,272)	(11,111,917)	(13,457,076)	(20,556,935)
Secured Total	1,296,270,518	1,920,963,596	2,467,939,534	2,666,735,804	2,577,276,338
Unsecured					
Land	62,916	57,454	48,879	42,875	32,309
Improvements	18,998,323	20,073,895	27,671,650	25,273,329	30,570,018
Personal Property	80,478,296	111,007,351	84,769,343	115,859,232	60,246,765
Exemptions	(3,254,600)	(2,943,200)	(3,165,461)	(3,052,763)	(4,273)
Unsecured Total	96,284,935	128,195,500	109,324,411	138,122,673	90,844,819
Utility					
Land	206,241	185,778	91,320	91,320	91,320
Improvements	92,107	75,504	0	0	0
Personal Property	50,328	41,336	0	0	0
Exemptions	0	0	0	0	0
Utility Total	348,676	302,618	91,320	91,320	91,320
Totals:	1,392,904,129	2,049,461,714	2,577,355,265	2,804,949,797	2,668,212,477
Percent Change	34.54%	47.14%	25.76%	8.83%	-4.87%
Plus: HOPTR AV	7,633,704	8,614,062	9,516,707	10,337,228	10,615,114
Less: Base AV	(220,417,565)	(220,417,565)	(220,417,565)	(218,348,853)	(218,348,853)
Incremental AV	1,180,120,268	1,837,658,211	2,366,454,407	2,596,938,172	2,460,478,738
Incremental Revenue	11,801,203	18,376,582	23,664,544	25,969,382	24,604,787
Plus: Additional Revenue (1)	3,998,634	4,929,622	3,585,461	495,705	(N.A.)
Tax Increment Collected	15,799,836	23,306,205	27,250,005	26,465,086	(N.A.)
Housing Tax Revenues Collected	3,159,967	4,661,241	5,450,001	5,293,017	(N.A.)

(1) Revenue from unitary and supplemental rolls, debt service levy, prior-year adjustments and other sources.
Source: Urban Analytics

Largest Taxpayers in The Desert Communities Redevelopment Project Area. The following table shows the ten largest taxpayers in The Desert Communities Redevelopment Project Area.

TABLE B-15
DESERT COMMUNITIES REDEVELOPMENT PROJECT AREA
Largest Property Tax Payers

Property Owner	Secured and Utility	Unsecured	Total	Pct of Total
T D Desert Dev	$110,043,071	$ 0	$ 110,043,071	4.12%
Griffin Ranch	46,785,336	0	46,785,336	1.75
Coral Option 1	39,373,853	0	39,373,853	1.48
Mission South	22,183,381	0	22,183,381	0.83
Twin Dev	19,430,866	0	19,430,866	0.73
Enclave At La Quinta	17,739,214	0	17,739,214	0.66
La Quinta Motorcoach Resort Inc	17,605,439	0	17,605,439	0.66
Deutsch Engineered Connect Devices	0	17,595,342	17,595,342	0.66
Adobe Holdings Inc	17,515,302	0	17,515,302	0.66
Msr Resort Golf Course	17,068,479	0	17,068,479	0.64
Total, Top Ten:	307,744,941	17,595,342	325,340,283	12.19
Total, Top Twenty:	421,957,647	17,952,460	439,910,107	16.49
Total, Top Hundred:	752,578,756	48,750,963	801,329,719	30.03
Totals for the Area:	2,577,367,658	90,844,819	2,668,212,477	100.00%

Source: Urban Analytics

Projection of Housing Tax Revenues. The table below show a projection of Housing Tax Revenues over the life of The Desert Communities Redevelopment Project Area. The projections assume a 3.66% decrease in assessed valuation in all Project Areas for 2010-11, a 1.97% decrease in assessed valuation for 2011-12 and a return to 2% growth from 2012-13 forward. See "PROJECTED COVERAGE ON THE BONDS" in this Official Statement for further explanation of these assumptions.

TABLE B-16
DESERT COMMUNITIES REDEVELOPMENT PROJECT AREA
Projected Housing Tax Revenues

Fiscal Year	Tax Revenues	Housing Tax Revenues
2009/10	$24,690,668	$4,938,134
2010/11	24,366,257	4,873,251
2011/12	24,901,725	4,980,345
2012/13	25,421,858	5,084,372
2013/14	25,952,393	5,190,479
2014/15	26,493,539	5,298,708
2015/16	27,045,508	5,409,102
2016/17	27,608,516	5,521,703
2017/18	28,182,784	5,636,557
2018/19	28,768,538	5,753,708
2019/20	29,366,007	5,873,201
2020/21	29,975,425	5,995,085
2021/22	30,597,031	6,119,406
2022/23	31,231,070	6,246,214
2023/24	31,877,789	6,375,558
2024/25	32,537,443	6,507,489
2025/26	33,210,290	6,642,058
2026/27	33,896,594	6,779,319
2027/28	34,596,624	6,919,325
2028/29	35,310,654	7,062,131
2029/30	36,038,965	7,207,793
2030/31	36,781,842	7,356,368
2031/32	37,539,577	7,507,915
2032/33	38,312,467	7,662,493
2033/34	39,100,814	7,820,163
2034/35	39,904,928	7,980,986
2035/36	40,725,125	8,145,025
2036/37	41,561,726	8,312,345
2037/38	3,602,050	720,410
2038/39	3,553,714	710,743
2039/40	2,670,963	534,193

Source: Urban Analytics

The Interstate 215 Corridor Redevelopment Project Area

General. The Interstate 215 Corridor Project Area was originally comprised of two project areas: Project Areas Nos. 5-1986 and 5-1987. The Board approved Project Area No. 5 on December 23, 1986 via Ordinance No. 639, and it included five sub-areas: Calimesa, Highgrove, Lakeview, Mead Valley and Romoland. In November of 1998, the Board approved an amendment to the project area to include additional territory in the Highgrove sub-area. Approximately 843 acres was added immediately adjacent to the existing project area. Project Area No. 5-1987 consisted of one sub-area in the community of Mead Valley and was approved by the Board on December 1, 1987 via Ordinance No. 648. The project area was amended to include additional territory on June 27, 1989 via Ordinance No. 715.

Both project areas were amended and merged on July 25, 2002 via Ordinance No. 821 and 822, respectively. Approximately 1,392 acres was added to the Romoland sub-area. The Mead Valley sub-area was also expanded and included the addition of 3,200 acres. The amended areas of both sub-areas are contiguous with the existing sub-area boundaries.

In 2006, Amendment No. 1a and Amendment No. 1b were adopted into the project area. Amendment No. 1a was adopted on May 16, 2006, and added approximately 2820 acres of territory in the communities of Lakeview/Nuevo to the I-215. Amendment No. 1b was adopted on May 2, 2006, and added 3,289 acres of additional territory in the communities of Sun City/Quail Valley into the I-215. The total acreage for the project area is 15,830 acres.

Calimesa. The Calimesa Sub-Area is comprised of 170 acres located along Interstate 10 between Sandalwood Drive and County Line Road. The Sub-Area primarily consists of commercial and light industrial uses. A number of residences can be found along the east and northeast parts of the area. This Sub-Area was transferred to the city of Calimesa in 1999.

Highgrove. The original Sub-Area contained 275 acres. On November 24, 1998, the Board approved an amendment to the project area to add approximately 843 acres to the Highgrove Sub-Area for a total of 1,118 acres. The area is characterized by older residential, neighborhood commercial and industrial development. Commercial development is primarily service-oriented serving the local community as well as the nearby cities of Riverside and Grand Terrace. Industrial development in the area began as a conglomeration of citrus packing facilities serving the citrus farms located at the east end of the community. Today many of these facilities have been converted into a variety of light manufacturing plants since the citrus industry has declined in the region. The Highgrove Sub-Area also includes Hunter Park, one of the most prosperous industrial areas which is home to the University of California, Riverside Technical Research Park.

Lakeview. The community of Lakeview is bisected by the Ramona Expressway and lies east of the city of Perris, west of the cities of Hemet and San Jacinto, east of Lake Perris State Recreation Area. The Sub-Area includes about 100 acres characterized by older commercial and industrial uses. The community is nestled in a generally flat rural setting and ringed by the Lakeview Mountains to the southeast and the Bernasconi Hills to the northwest. Recreational opportunities include bicycling, hiking and equestrian trails, picnicking, camping, boating, fishing and swimming. Lakeview's rural and agricultural atmosphere, mild climate, and proximity to recreational opportunities are ideal for future large-lot residential development.

Mead Valley. The Sub-Area includes 6,563 acres along Interstate 215 between the cities of Riverside and Perris. The Sub-Area is bisected by Cajalco Road which is the major east-west arterial roadway through the community. The Sub-Area includes two large industrial specific plans and a community facilities district has funded all of the necessary infrastructure. The specific plans offer fully improved, ready to build lots from 1 to 40 acres. The Sub-Area primarily consists of large-lot residential development and industrial and commercial properties.

Romoland. The Romoland Sub-Area contains 1,939 acres located east of the city of Perris. As mentioned above, approximately 1,392 acres was added to the existing project area of 547 acres. The community offers prime freeway frontage with access and visibility from both Highway 74 and Interstate 215, and provides a good location for commercial and industrial uses. Romoland is characterized by older commercial and lower-income housing in the core of the community. Southern California Edison and Eastern Municipal Water District have regional facilities in the area. Romoland's rural atmosphere, mild climate, and proximity to recreational opportunities are fitting for in-fill and large-lot development. Portions of the sub-area are within the boundaries of the newly incorporated city of Menifee.

Lakeview/Nuevo. In 2006, the Agency amended the area and added 2,820 acres of land in the communities of Lakeview and Nuevo. The amendment area is primarily developed with single family residential homes and a small commercial area in the Nuevo area. There are opportunities for infill residential development throughout the area and there is a need for additional commercial development to serve the community.

Sun City/Quail Valley. The amendment area is composed of two sub-areas consisting of 3,289 acres in two non-contiguous areas in the Sun City and Quail Valley areas. The Quail Valley area consists of 2,039 acres and is located west of Interstate 215 and lies along Goetz Road between McCall Boulevard and Newport Road. It is primarily residential in nature with some small commercial uses. The Sun City sub-area consists of 1,250 acres and lies both east and west of Interstate 215 from Ethanac Road to just south of McCall Boulevard. The area is characterized by a large commercial area in the core of Sun City, commercial areas along Interstate 215 and both residential and industrial uses in the surrounding areas. Portions of the sub-area are located within the boundaries of the newly incorporated City of Menifee.

New Development in the I-215 Corridor Project Area

The I-215 Corridor Project Area is seeing new industrial and residential development occur as the market moves eastward to this area. The Highgrove Sub-Area is experiencing tremendous growth in the industrial sector particularly in the area within the boundaries of the city of Riverside. The Mead Valley Sub-Area currently is in the planning stages for a 300-acre industrial park that will have up to 6 million square feet of new industrial buildings. In the southern end of the Mead Valley Sub-Area, Eliminator Boats will be building a new $8 million manufacturing facility. The Romoland Sub-Area will be home to the Big League Dreams Sports Park, a thirty-five (35) acre sports park consisting of six softball/baseball fields, restaurant, two playground areas, batting cages, two open turf areas, and other amenities, including four (4) "replica" fields that are designed to look like major league stadiums. Development of Big League Dreams is fostering new interest among retail commercial developers who are responding to the new development and housing growth in Romoland and Homeland, and in the cities of Hemet and San Jacinto.

Land Use in the Interstate 215 Corridor Redevelopment Project Area. The largest use of the land in the Interstate 215 Corridor Redevelopment Project Area in terms of assessed value is for residential purposes. The following table shows the land use in the Interstate 215 Corridor Redevelopment Project Area, based on 2009-10 assessed valuation.

TABLE B-17
INTERSTATE 215 CORRIDOR REDEVELOPMENT PROJECT AREA
Land Use; Fiscal Year 2009-10

Land Use	Secured AV [1]	% of AV	No. of Parcels	% of Parcels	Acres	% of Acres
Agricultural	$ 7,219,208	0.35%	20	0.14%	228	1.96%
Commercial	173,502,442	8.47	270	1.93	378	3.25
Industrial	391,030,677	19.08	170	1.21	557	4.78
Single-Family Res	703,260,894	34.32	5,300	37.83	2,513	21.60
Other Residential	336,880,371	16.44	3,739	26.69	2,964	25.47
Vacant	434,512,623	21.20	4,437	31.67	4,883	41.97
Other	2,712,331	0.13	74	0.53	112	0.96
Totals:	$2,049,118,546	100.00%	14,010	100.00%	11,634	100.00%

(1) Valuations include homeowner's exemptions, restored by the Auditor prior to the calculation of tax increment.
Acreage is estimated using tax roll data and information provided by the Agency._
Source: Urban Analytics

Historic Assessed Valuation. Assessed valuation in the Interstate I-215 Project Area grew by 1.24% in 2009-10, following gains ranging from 13.91% to 99.23% over the previous four years; the large gain in 2007-08 was principally due to tax increment from the newly-added Lakeview/Nuevo and Sun Valley/Quail sub-areas.

The table below shows a five-year history of assessed valuation in the Interstate 215 Corridor Redevelopment Project Area.

TABLE B-18
INTERSTATE 215 CORRIDOR REDEVELOPMENT PROJECT AREA
Historic Assessed Valuation, Tax Revenues and Housing Tax Revenues

Roll	2005-06	2006-07	2007-08	2008-09	2009-10
Secured					
Land	$381,251,212	$476,305,383	$945,099,684	$1,068,075,509	$961,253,294
Improvements	561,370,499	670,988,540	1,270,823,912	1,282,506,873	1,151,966,711
Personal Property	5,284,190	10,944,510	13,367,934	13,023,103	8,505,203
Exemptions	(38,452,510)	(38,914,630)	(73,806,851)	(72,530,873)	(72,606,662)
Secured Total	909,453,391	1,119,323,803	2,155,484,679	2,291,074,612	2,049,118,546
Unsecured					
Land	89,661	86,027	79,543	62,235	3,292
Improvements	53,545,482	61,185,834	69,376,628	78,341,849	84,831,054
Personal Property	75,039,570	106,692,962	106,914,217	108,535,755	91,088,091
Exemptions	0	0	0	(120,740)	(112,200)
Unsecured Total	128,674,713	167,964,823	176,370,388	186,819,099	175,810,237
Utility					
Land	931,720	5,569,607	5,204,370	5,204,370	604,370
Improvements	323,749	1,533,234	242,100,000	454,700,000	748,700,000
Personal Property	168,935	158,229	0	0	0
Exemptions	0	0	0	0	0
Utility Total	1,424,404	7,261,070	247,304,370	459,904,370	749,304,370
Totals:	1,039,552,508	1,294,549,696	2,579,159,437	2,937,798,081	2,974,233,153
Percent Change	19.53%	24.53%	99.23%	13.91%	1.24%
Plus: HOPTR AV	16,689,252	16,717,592	27,092,405	26,906,185	26,761,298
Less: Base AV	(426,623,684)	-426,623,684)	(1,067,164,071)	(1,067,164,071)	(1,067,164,071)
Incremental AV	629,618,076	884,643,604	1,539,087,771	1,897,540,195	1,933,830,380
Incremental Revenue	6,296,181	8,846,436	15,390,878	18,975,402	19,338,304
Plus: Additional Revenue (1)	1,099,732	1,323,575	2,908,867	923,828	(N.A.)
Tax Increment Collected	7,395,913	10,170,011	18,299,745	19,899,230	(N.A.)
Housing Tax Revenues Collected	1,479,183	2,034,002	3,659,949	3,979,846	(N.A.)

(1) Revenue from unitary and supplemental rolls, debt service levy, prior-year adjustments and other sources.
Source: Urban Analytics

Largest Taxpayers in the Interstate 215 Corridor Redevelopment Project Area. The following table shows the ten largest taxpayers in the Interstate 215 Corridor Redevelopment Project Area.

TABLE B-19
INTERSTATE 215 CORRIDOR REDEVELOPMENT PROJECT AREA
Largest Property Tax Payers

Property Owner	Secured and Utility	Unsecured	Total	Pct of Total
Inland Empire Energy Center, LLC	$ 748,700,000	$ 0	$ 748,700,000	25.17%
Majestic Freeway Business Center	52,064,163	0	52,064,163	1.75
A Murphy Ranch	37,845,841	0	37,845,841	1.27
K & N Engineering Inc	2,809,078	32,721,001	35,530,079	1.19
Fr Cal Harvill Road	24,851,833	0	24,851,833	0.84
Oakmont Riverside Hunter Park	19,405,907	0	19,405,907	0.65
Johnson Machinery Co	10,101,984	8,382,747	18,484,731	0.62
Guthrie Leach	18,116,627	0	18,116,627	0.61
MDC Hunter Park	18,040,538	0	18,040,538	0.61
Minor Ranch	15,588,473	0	15,588,473	0.52
Total, Top Ten:	947,524,444	41,103,748	988,628,192	33.24
Total, Top Twenty:	1,076,769,053	41,103,748	1,117,872,801	37.59
Total, Top Hundred:	1,404,772,920	88,879,031	1,493,651,951	50.22
Totals for the Area:	2,798,422,916	175,810,237	2,974,233,153	100.00%

Source: Urban Analytics

Projection of Housing Tax Revenues. The table below show a projection of Housing Tax Revenues over the life of the Interstate 215 Corridor Redevelopment Project Area. The projections assume a 3.66% decrease in assessed valuation in all Project Areas for 2010-11, a 1.97% decrease in assessed valuation for 2011-12 and a return to 2% growth from 2012-13 forward. See "PROJECTED COVERAGE ON THE BONDS" in this Official Statement for further explanation of these assumptions.

TABLE B-20
INTERSTATE 215 CORRIDOR REDEVELOPMENT PROJECT AREA
Projected Housing Tax Revenues

Fiscal Year	Tax Revenues	Housing Tax Revenues
2009/10	$19,631,774	$3,926,355
2010/11	19,277,542	3,855,508
2011/12	19,854,668	3,970,934
2012/13	20,422,462	4,084,492
2013/14	21,001,611	4,200,322
2014/15	21,592,344	4,318,469
2015/16	22,194,891	4,438,978
2016/17	22,809,489	4,561,898
2017/18	23,436,379	4,687,276
2018/19	24,075,807	4,815,161
2019/20	24,728,023	4,945,605
2020/21	25,393,284	5,078,657
2021/22	26,071,850	5,214,370
2022/23	26,763,988	5,352,798
2023/24	27,469,968	5,493,994
2024/25	28,190,067	5,638,013
2025/26	28,924,569	5,784,914
2026/27	29,673,761	5,934,752
2027/28	30,437,936	6,087,587
2028/29	31,217,395	6,243,479
2029/30	32,012,443	6,402,489
2030/31	32,823,393	6,564,679
2031/32	33,650,561	6,730,112
2032/33	34,494,272	6,898,854
2033/34	35,354,858	7,070,972
2034/35	36,232,656	7,246,531
2035/36	37,128,009	7,425,602
2036/37	38,041,270	7,608,254
2037/38	31,586,186	6,317,237
2038/39	32,110,238	6,422,048
2039/40	32,915,510	6,583,102

Source: Urban Analytics

APPENDIX C

COUNTY OF RIVERSIDE GENERAL INFORMATION

Information contained in this Appendix C is presented as general background data. The Bonds are payable solely from the Housing Tax Revenues and other sources as described herein. The taxing power of the County, the State of California or any political subdivision thereof is not pledged to the payment of the Bonds. See "SECURITY FOR THE BONDS" herein for a description of the security for the Bonds.

General Description and Background

Riverside County, which encompasses 7,303 square miles, was organized in 1893 from territory in San Bernardino and San Diego Counties. Located in the southeastern portion of California, Riverside County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the South by San Diego and Imperial Counties and on the west by Orange and Los Angeles Counties. There are 26 incorporated cities in Riverside County.

Riverside County's varying topology includes desert, valley and mountain areas as well as gently rolling terrain. Three distinct geographical areas characterize Riverside County: the western valley area, the higher elevations of the mountains, and the deserts. The western valley, the San Jacinto mountains and the Cleveland National Forest experience the mild climate typical of Southern California. The eastern desert areas experience warmer and dryer weather conditions. Riverside County is the site for famous resorts, such as Palm Springs, as well as a leading area for inland water recreation. Nearly 20 lakes in Riverside County are open to the public. The dry summers and moderate to cool winters make it possible to enjoy these and other recreational and cultural facilities on a year-round basis.

Population

According to the State Department of Finance, Demographic Research Unit, Riverside County's population was estimated at 2,107,653 as of January 1, 2009. The largest cities in Riverside County are the cities of Riverside, Moreno Valley, Corona, Hemet, Indio, Palm Springs, Temecula and Cathedral City. The areas of most rapid population growth continue to be those more populated and industrialized cities in the western and central regions of Riverside County and the southwestern unincorporated region of Riverside County between Sun City and Temecula.

The following table sets forth annual population figures, as of January 1, for cities located within Riverside County for each of the years listed:

RIVERSIDE COUNTY
Population Estimates

	1980 (1)	1990 (1)	2000	2006	2007	2008	2009
Banning	14,020	20,570	23,562	28,240	28,293	28,148	28,457
Beaumont	6,818	9,685	11,384	23,237	28,271	31,317	32,403
Blythe	6,805	8,428	20,465	22,232	22,636	21,627	21,329
Calimesa	--	--	7,139	7,444	7,420	7,423	7,498
Canyon Lake	--	--	9,952	10,982	10,979	10,994	11,128
Cathedral City	--	30,085	42,647	51,284	52,151	51,972	52,447
Coachella	9,129	16,896	22,724	35,346	38,515	40,317	41,000
Corona	37,791	76,095	124,966	145,235	146,147	146,698	148,597
Desert Hot Springs	5,941	11,668	16,582	23,454	24,907	25,939	26,552
Hemet	22,454	36,094	58,812	71,315	73,299	73,205	74,361
Indian Wells	1,394	2,647	3,816	4,885	4,945	5,000	5,093
Indio	21,611	36,793	49,116	71,939	77,208	80,962	82,230
Lake Elsinore	5,982	18,285	28,930	41,150	47,669	49,556	50,267
La Quinta	--	11,215	23,694	38,494	41,125	42,743	43,778
Menifee	--	--	--	--	--	--	67,705
Moreno Valley	--	118,779	142,379	175,262	180,603	182,945	186,301
Murrieta	--	--	44,282	93,296	97,329	182,945	186,301
Norco	19,732	23,302	24,157	27,350	27,375	99,576	100,714
Palm Desert	11,081	23,252	41,155	49,735	49,789	27,143	27,160
Palm Springs	32,359	40,181	42,805	46,621	46,893	50,686	51,509
Perris	6,827	21,460	36,189	47,326	50,701	47,019	47,601
Rancho Mirage	6,281	9,778	13,249	16,737	16,957	53,340	54,323
Riverside	170,591	226,505	255,166	288,933	291,611	16,975	17,180
San Jacinto	7,098	16,210	23,779	31,190	34,371	296,191	300,430
Temecula	--	27,099	57,716	94,300	98,009	35,491	36,477
Wildomar	--	--	--	--	--	--	31,321
Unincorporated	248,009	385,386	420,721	516,814	537,637	553,461	459,188
County Total	633,923	1,170,413	1,545,387	1,962,801	2,034,840	2,078,601	2,107,653

(1) From U.S. Census.
Source: State Department of Finance estimates (as of January 1).

Commerce

The table below shows the number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions within the County for the last five years for which data is available.

COUNTY OF RIVERSIDE
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2004	20,642	$18,715,949	42,826	$25,237,148
2005	22,691	20,839,212	44,222	28,256,491
2006	23,322	21,842,345	43,672	29,816,237
2007	22,918	21,242,516	45,279	29,023,609
2008	23,604	18,689,249	46,272	26,003,595

Source: State Board of Equalization.

Employment

The unemployment rate in the Riverside-San Bernardino-Ontario MSA was 141.7 percent in February 2010, down from a revised 15.0 percent in January 2010, and above the year-ago estimate of 12.0 percent. This compares with an unadjusted unemployment rate of 12.8 percent for California and 10.4 percent for the nation during the same period. The unemployment rate was 14.9 percent in Riverside County, and 14.4 percent in San Bernardino County.

The following table presents the annual average distribution of persons in various wage and salary employment categories for Riverside-San Bernardino Primary Metropolitan Statistical Area for calendar years 2005 through 2009.

RIVERSIDE-SAN BERNARDINO PRIMARY METROPOLITAN STATISTICAL AREA
ANNUAL AVERAGE EMPLOYMENT COMPARISON

	2005	2006	2007	2008	2009
Civilian Labor Force [(1)]	1,713,500	1,758,800	1,782,700	1,783,800	1,778,200
Employment	1,622,300	1,672,100	1,678,900	1,636,900	1,541,600
Unemployment	91,200	86,700	103,800	146,900	236,500
Unemployment Rate	5.3%	4.9%	5.8%	8.2%	13.3%
Wage and Salary Employment: [(2)]					
Agriculture	18,300	17,300	16,400	15,900	15,200
Mining and Logging	1,400	1,400	1,300	1,200	1,200
Construction	123,300	127,500	112,500	90,700	67,400
Manufacturing	121,000	123,400	118,500	106,900	88,500
Wholesale Trade	49,900	54,200	56,800	54,100	48,300
Retail Trade	165,700	173,200	175,600	168,600	154,900
Transportation, Warehousing and Utilities	60,200	63,800	69,500	70,200	66,500
Information	14,500	15,300	15,400	14,900	14,800
Finance and Insurance	30,100	31,700	30,700	28,000	27,000
Real Estate and Rental and Leasing	18,900	19,900	19,500	18,700	16,600
Professional and Business Services	133,200	142,300	145,000	137,400	127,300
Educational and Health Services	119,900	122,100	127,000	131,500	132,600
Leisure and Hospitality	122,600	128,100	132,600	131,000	123,000
Other Services	40,800	42,500	41,200	40,800	36,700
Federal Government	18,700	19,300	19,400	19,600	20,100
State Government	27,000	27,400	28,700	29,600	29,700
Local Government	174,800	175,700	177,200	180,700	177,500
Total All Industries	1,240,300	1,285,000	1,287,300	1,239,700	1,147,100

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
Source: State of California Employment Development Department.

The 25 largest employers in the County are shown below.

COUNTY OF RIVERSIDE
LARGEST EMPLOYERS
(As of January 1, 2010)

Employer Name	Location	Industry
Abbott Vascular	Temecula	Physicians & Surgeons
Agua Caliente Casino	Rancho Mirage	Casino
Corona Regional Medical Center	Corona	Hospital
Corrections Dept	Norco	State Govt-Correctional Institutions
Crossroads Truck Dismantling	Mira Loma	Automobile Wrecking (Whls)
Eisenhower Medical Ctr	Rancho Mirage	Hospitals
Fantasy Springs Resort Casino	Indio	Casino
Handsome Rewards	Perris	Internet & Catalog Shopping
Hemet Valley Medical Ctr	Hemet	Hospitals
Hub International Of CA Ins	Riverside	Insurance
J W Marriott-Desert Spgs Resrt	Palm Desert	Hotels & Motels
La Quinta Resort & Club	La Quinta	Resorts
Morongo Casino Resort & Spa	Cabazon	Casinos
Mountain & Dunes Golf Courses	La Quinta	Golf Courses-Private
Pechanga Development Corp	Temecula	Casinos
Riverside Community Hospital	Riverside	Hospitals
Riverside County Regional Med	Moreno Valley	Hospitals
Riverside Forklift Training	Riverside	Trucks-Industrial (Whls)
Riverside Medical Center	Riverside	Hospital
Robertson's Ready-Mix	Corona	Concrete-Ready Mixed
Starcrest Of California	Perris	Internet & Catalog Shopping
Starcrest Products-California	Perris	Gift Shops
Sun World Intl LLC	Coachella	Fruits & Vegetables-Growers & Shippers
University Of Cal-Riverside	Riverside	Schools-Universities & Colleges Academic
Watson Pharmaceuticals Inc	Corona	Pharmaceuticals

Source: California Employment Development Dept., America's Labor Market Information System (ALMIS) Employer Database, 2010 2nd Edition

Construction Activity

The following is a five year summary of the valuation of building permits issued in the County.

County of Riverside
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2004	2005	2006	2007	2008
Permit Valuation					
New Single-family	$4,997,513.2	$2,972,203.7	$4,412,255.1	$1,263,350	$1,214,753.0
New Multi-family	404,615.9	114,787.0	431,580.9	155,820.1	243,741.9
Res. Alterations/Additions	135,176.6	157,825.3	158,099.4	128,336.1	118,488.7
Total Residential	6,537,305.6	3,244,816.0	5,001,935.4	1,547,506.7	1,576,983.5
New Commercial	580,057.8	552,666.9	442,650.9	569,354.4	539,943.4
New Industrial	203,311.9	120,367.6	372,801.3	350,521.0	70,410.8
New Other	334,001.0	344,703.2	237,689.2	190,362.6	138,765.2
Com. Alterations/Additions	222,495.5	274,337.7	268,738.1	255,984.2	292,693.8
Total Nonresidential	1,339,866.1	1,292,075.4	1,321,879.5	1,366,222.3	1,041,813.1
New Dwelling Units					
Single Family	29,478	15,305	20,692	6,239	3,815
Multiple Family	4,748	1,379	4,519	1,765	2,104
TOTAL	34,226	16,684	25,211	8,004	5,919

Source: Construction Industry Research Board, Building Permit Summary.

Personal Income

The following table is based on effective buying income, as reported in the annual publication "Survey of Buying Power," published by Sales and Marketing Management. Effective buying income is defined as personal income less personal taxes and non-tax payments. Personal income includes wages and salaries, other labor-related income, proprietor's income, rental income, dividends, personal interest income and transfer payments. Deductions are then made for federal, state and local taxes, non-tax payments (such as fines and penalties) and personal contributions for social insurance. The following items are not included in the definition of effective buying income: (1) employer contributions to private pension funds, supplemental unemployment insurance funds and privately administered workers' compensation programs; (2) imputed personal income, which includes the imputed value of services provided by depository institutions and income earned by life insurance carriers and private noninsured pension funds on the principal amounts contributed by policy holders and pension beneficiaries; and (3) imputed rental income of owner-occupied nonfamily dwellings.

Between 2004 and 2008 the City's median household effective buying power increased approximately 16.2%, while at the same time, the County's increased approximately 16.6%, the State's increased approximately 11.5% and there was growth of approximately 7.6% for the United States. The table below summarizes the total effective buying income and the median household effective buying income for the City, the County, the State and the United States from 2004 through 2008.

Table 21
PERSONAL INCOME
For Calendar Years 2004 Through 2008

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2004	Riverside County	$ 29,468,208	$40,275
	California	705,108,410	43,915
	United States	5,692,909,567	39,324
2005	Riverside County	$ 32,004,438	$41,326
	California	720,798,106	44,681
	United States	5,894,663,364	40,529
2006	Riverside County	$ 35,656,620	$43,490
	California	764,120,963	46,275
	United States	6,107,092,244	41,255
2007	Riverside County	$ 38,631,365	$45,310
	California	814,894,438	48,203
	United States	6,300,794,040	41,792
2008	Riverside County	$ 40,935,408	$46,958
	California	832,531,445	48,952
	United States	6,443,994,426	42,303

Source: Sales and Marketing Management, Survey of Buying Power for 2004; Claritas Demographics for 2005 and after.

Riverside County Agriculture

Agriculture remains a leading source of income in Riverside County. Principal agricultural products are milk, eggs, table grapes, grapefruit, nursery, alfalfa, dates, lemons and avocados. Four areas in Riverside County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of Riverside County, the Coachella Valley in the central portion and the Palo Verde Valley near Riverside County's eastern border.

Riverside County Transportation

Easy access to job opportunities in Riverside County and nearby Los Angeles, Orange and San Diego Counties is important to Riverside County's employment picture. Several major freeways and highways provide access between Riverside County and all parts of Southern California. The Riverside Freeway (State Route 91) extends southwest through Corona and connects with the Orange County freeway network in Fullerton. Interstate 10 traverses the width of Riverside County, the western-most portion of which links up with major cities and freeways in the eastern part of Los Angeles County and the southern part of San Bernardino County. Interstate 15 and 215 extend north and then east to Las Vegas, and south to San Diego. The Moreno Valley Freeway (U.S. 60) provides an alternate (to Interstate 10) east-west link to Los Angeles County.

Currently, Metrolink provides commuter rail service to Los Angeles and Orange Counties from several stations in Riverside County. Transcontinental passenger rail service is provided by Amtrak with a stop in Indio. Freight service to major west coast and national markets is provided by two transcontinental railroads – Burlington Northern/Santa Fe and Union Pacific. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, including the cities of Palm Springs and Indio. The City of Banning also operates a local bus system.

Riverside County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Los Angeles Department of Airports. Four major airlines schedule commercial flight service at Palm Springs Regional Airport. County-operated general aviation airports include those in Thermal, Hemet, Blythe and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Force Base, which converted from an active duty base to a reserve-only base on April 1, 1996. Plans for joint military and civilian use of the base thereafter are presently being formulated by the March AFB Joint Powers Authority, comprised of Riverside County and the Cities of Riverside, Moreno Valley and Perris.

APPENDIX D

AGENCY'S AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2009

APPENDIX E

FORMS OF OPINION OF BOND COUNSEL

[OPINION FOR SERIES A BONDS]

[LETTERHEAD OF JONES HALL]

[OPINION FOR SERIES A-T BONDS]

[LETTERHEAD OF JONES HALL]

APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX H

FISCAL CONSULTANT REPORT

APPENDIX I

BOOK-ENTRY ONLY BONDS

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY FORM HAS BEEN OBTAINED FROM SOURCES THAT THE AGENCY BELIEVES TO BE RELIABLE, BUT THE AGENCY TAKES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS THEREOF. THE BENEFICIAL OWNERS (AS HEREINAFTER DEFINED) SHOULD CONFIRM THE FOLLOWING INFORMATION WITH DTC OR THE DTC PARTICIPANTS.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC. If, however, the aggregate principal amount exceeds $150 million, one certificate will be issued with respect to each $150 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (the "Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct and Indirect Participants may be jointly referred to herein as "Participants." The Rules applicable to DTC and Participants are on file with the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Bonds except in the event that use of the book-entry form for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds within a series are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such series to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to the Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Agency, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Agency. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Agency may decide to discontinue use of the form of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the owners or holders of the Bonds (other than under the section "TAX MATTERS" in this Official Statement) means Cede & Co. and shall not mean the beneficial owners of the Bonds.

THE AGENCY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT, (ii) THE DELIVERY OF ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE INDENTURE, (iii) THE PAYMENT BY DTC OR ANY DTC

PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE ON THE BONDS, (iv) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF BONDS, OR (v) ANY OTHER MATTER.

THE AGENCY, AS LONG AS A BOOK-ENTRY ONLY FORM IS USED FOR THE BONDS, WILL SEND ANY NOTICES ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER OF ANY NOTICE AND ITS CONTENT OR EFFECT, WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO ANY ACTION PREMISED ON SUCH NOTICE.

Discontinuation of Book-Entry Only Form; Payment to Beneficial Owners

In the event that the book-entry form described above is no longer used with respect to the Bonds, the following provisions will govern the payment, registration, transfer, exchange and replacement of the Bonds.

APPENDIX J

SPECIMEN MUNICIPAL BOND INSURANCE POLICY