

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

675



FROM: Successor Agency to the Redevelopment Agency

SUBMITTAL DATE:
May 22, 2014

SUBJECT: Refunding of Outstanding Bonds of the Dissolved Redevelopment Agency, 1st District, 4th District, 5th District, [\$673,500] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Successor Agency Resolution No. 2014-005 authorizing the issuance of refunding tax allocation bonds for the bonds issued in 2004 for Project Area 1-1986, Desert Communities Project Area, and the I-215 Corridor Project Area; and,
2. Direct staff to submit this item to the Oversight Board for approval.

BACKGROUND:

Summary

(commences on next page)

Rohini Dasika
Rohini Dasika
Senior Management Analyst

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner* DATE: 5/21/14
DALE A. GARDNER
Departmental Concurrence

FINANCIAL DATA	Current Fiscal Year	Next Fiscal Year	Total Cost	Ongoing Cost	POLICY/CONSENT (per Exec. Office)
COST	\$ N/A	\$ 673,500	\$ 673,500	\$ N/A	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	

SOURCE OF FUNDS: Bond Proceeds	Budget Adjustment: No
	For Fiscal Year: 14/15

C.E.O. RECOMMENDATION:

APPROVE

BY: *Alex Gann*
Alex Gann

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS OF THE SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY**

On motion of Supervisor Ashley, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is tentatively approved pending final action by the oversight board.

Ayes: Jeffries, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione
Date: June 3, 2014
xc: E.O., EDA

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 4-1, 9/24/13; 4-1, 2/11/14	District: All	Agenda Number: 4-1
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- Positions Added
- Change Order
- A-30
- 4/5 Vote

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

FORM 11:

DATE:

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

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

Prior to the dissolution of the Redevelopment Agency for the County of Riverside (Agency), the Agency issued \$102,785,000 in Series 2004 Tax Allocation Bonds for all redevelopment project areas, which will reach their ten (10) year call date and are callable on October 1, 2014. The proximity to the call date makes a number of the bond maturities attractive refunding candidates. The Successor Agency wishes to refund the callable bonds that will achieve specific debt service savings that will accrue to the benefit of the Successor Agency, the County, and other applicable taxing entities.

After analysis, the financial team has recommended bringing forward refunding series for three of the Agency's project areas – Project Area 1-1986 (1-1986), Desert Communities Project Area (DCPA), and I-215 Corridor Project Area (I-215). The bonds will be issued by the County's Public Financing Authority as have prior Redevelopment Agency bonds. The term of the existing bonds will not be extended. All of the refunding series produce savings well in excess of the Riverside County Debt Advisory Committee's (DAC) present value savings target of 3%. The issuance of the refunding bonds was approved at the DAC meeting on May 8, 2014.

The anticipated amount of the proposed bond issues, savings percentage, and savings amounts are shown in the table below. The combined total savings from the three series is projected to be approximately \$7.5 million and \$5.1 million expressed in 2014 dollars...

Series	1-1986	DCPA	I-215
Size	\$19,275,000	\$27,450,000	\$17,210,000
PV Savings	\$1,652,299	\$2,142,576	\$1,223,169
PV Savings As %	7.99%	7.34%	7.11%
Avg. Savings	\$102,426	\$134,958	\$76,576
Total Savings	\$2,458,228	\$3,238,996	\$1,837,815

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

Impact on Citizens and Businesses

This item will be beneficial for the citizens of Riverside County. County residents and businesses will ultimately benefit from the surplus tax revenue that will be derived from this refunding. The savings in debt service payments that would otherwise be paid to bondholders will be distributed to taxing entities including the County General Fund (approximately 21%), K-12 school districts and community college districts (approximately 60% combined), cities and special districts. The taxing entities will in turn have additional revenue to use for services for the residents of Riverside County.

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RESOLUTION NO. 2014-005

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

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

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its Redevelopment Agency for the County of Riverside Redevelopment Project Area No. 1 2004 Tax Allocation Bonds, Series A (the "Prior Series A Bonds") in the initial aggregate principal amount of \$24,865,000 for the purpose of financing redevelopment activities;

FORM APPROVED COUNTY COUNSEL
BY DALE A. GARDNER DATE 5/21/14

1
2 **WHEREAS**, prior to the dissolution of the Former Agency, the
3 Former Agency issued its Redevelopment Agency For the County of
4 Riverside Desert Communities Redevelopment Project Area 2004 Tax
5 Allocation Bonds, Series D (the "Prior Series D Bonds") in the
6 initial aggregate principal amount of \$34,840,000 for the purpose
7 of financing redevelopment activities;

8
9 **WHEREAS**, prior to the dissolution of the Former Agency, the
10 Former Agency issued its Redevelopment Agency for the County of
11 Riverside Interstate 215 Corridor Redevelopment Project Area
12 2004 Tax Allocation Bonds, Series E (the "Prior Series E Bonds"
13 and together with the Prior Series A Bonds and the Prior Series
14 D Bonds, the "Prior Bonds") in the initial aggregate principal
15 amount of \$20,240,000 for the purpose of financing redevelopment
16 activities;

17
18 **WHEREAS**, Section 34177.5 authorizes the Successor Agency to
19 issue refunding bonds pursuant to Article 11 (commencing with
20 Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5
21 of the Government Code (the "Refunding Law") for the purpose of
22 achieving debt service savings within the parameters set forth
23 in Section 34177.5(a)(1) (the "Savings Parameters");

24
25 **WHEREAS**, to determine compliance with the Savings
26 Parameters for purposes of the issuance by the Successor Agency
27 of its (i) Successor Agency to the Redevelopment Agency for the
28 County of Riverside Redevelopment Project Area No. 1 2014 Tax

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2 Allocation Refunding Bonds, Series A (the "Refunding Series A
3 Bonds"), (ii) Successor Agency to the Redevelopment Agency For
4 the County of Riverside Desert Communities Redevelopment Project
5 Area 2014 Tax Allocation Refunding Bonds, Series D (the
6 "Refunding Series D Bonds"), and (iii) Successor Agency to the
7 Redevelopment Agency for the County of Riverside Interstate 215
8 Corridor Redevelopment Project Area 2014 Tax Allocation
9 Refunding Bonds, Series E (the "Refunding Series E Bonds" and
10 together with the Refunding Series A Bonds and the Refunding
11 Series D Bonds, the "Refunding Bonds"), the Successor Agency has
12 caused its financial advisor, C.M. de Crinis & Co., Inc. (the
13 "Financial Advisor"), to prepare an analysis of the potential
14 savings that will accrue to the Successor Agency and to
15 applicable taxing entities as a result of the use of the
16 proceeds of the (a) Refunding Series A Bonds to repay the Prior
17 Series A Bonds and, thereby, to refund the Prior Series A Bonds,
18 (b) Refunding Series D Bonds to repay the Prior Series D Bonds
19 and, thereby, to refund the Prior Series D Bonds and (c)
20 Refunding Series E Bonds to repay the Prior Series E Bonds and,
21 thereby, to refund the Prior Series E Bonds (collectively, the
22 "Debt Service Savings Analysis");

23
24 **WHEREAS**, the Successor Agency desires at this time to
25 approve the issuance of the Refunding Series A Bonds and to
26 approve the form of and authorize the execution and delivery of
27 the Indenture of Trust, by and between the Successor Agency and
28 The Bank of New York Mellon Trust Company, N.A., as trustee,

1 providing for the issuance of the Refunding Series A Bonds (the
2 "Series A Indenture") and the Irrevocable Refunding Instructions
3 to be delivered to The Bank of New York Mellon Trust Company,
4 N.A., as trustee of the Prior Series A Bonds, to be dated as of
5 the date of the issuance and delivery of the Refunding Series A
6 Bonds (the "Refunding Series A Instructions");
7

8
9 **WHEREAS**, the Successor Agency wishes at this time to
10 approve the issuance of the Refunding Series D Bonds and to
11 approve the form of and authorize the execution and delivery of
12 the Indenture of Trust, by and between the Successor Agency and
13 The Bank of New York Mellon Trust Company, N.A., as trustee,
14 providing for the issuance of the Refunding Series D Bonds (the
15 "Series D Indenture") and the Irrevocable Refunding Instructions
16 to be delivered to The Bank of New York Mellon Trust Company,
17 N.A., as trustee of the Prior Series D Bonds, to be dated as of
18 the date of the issuance and delivery of the Refunding Series D
19 Bonds (the "Refunding Series D Instructions");
20

21 **WHEREAS**, the Successor Agency wishes at this time to
22 approve the issuance of the Refunding Series E Bonds and to
23 approve the form of and authorize the execution and delivery of
24 the Indenture of Trust, by and between the Successor Agency and
25 The Bank of New York Mellon Trust Company, N.A., as trustee,
26 providing for the issuance of the Refunding Series E Bonds (the
27 "Series E Indenture" and together with the Series A Indenture
28 and the Series D Indenture, the "Indentures" and each, an

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2 "Indenture") and the Irrevocable Refunding Instructions to be
3 delivered to The Bank of New York Mellon Trust Company, N.A., as
4 trustee of the Prior Series E Bonds, to be dated as of the date
5 of the issuance and delivery of the Refunding Series E Bonds
6 (the "Refunding Series E Instructions" and together with the
7 Refunding Series A Instructions and the Refunding Series D
8 Instructions, the "Refunding Instructions");

9
10 **WHEREAS**, in order to increase the feasibility of refunding
11 the Prior Bonds and other outstanding bonds of the Former
12 Agency, which will potentially reduce the amount of property tax
13 revenues required to pay debt service on the Prior Bonds thereby
14 increasing the amount of property tax revenues available to the
15 taxing entities, the Successor Agency has determined that it is
16 necessary to amend the definition of the term "Qualified Reserve
17 Account Credit Instrument" set forth in each Indenture of Trust
18 with respect to certain outstanding bonds of the Successor
19 Agency, as described on Exhibit A hereto, pursuant to one or
20 more supplemental indentures thereto (each, a "Supplemental
21 Indenture," and collectively, the "Supplemental Indentures");

22
23 **WHEREAS**, the Successor Agency desires to approve the forms
24 of and authorize the execution and delivery of the Supplemental
25 Indentures;

1
2 **WHEREAS**, pursuant to Section 34179, an oversight board (the
3 "Oversight Board") has been established for the Successor
4 Agency;

5
6 **WHEREAS**, the Successor Agency is now requesting that the
7 Oversight Board (i) approve the issuance of the Refunding Bonds
8 pursuant to this Resolution and the Indentures and (ii) approve
9 the execution and delivery of the Supplemental Indentures;

10
11 **WHEREAS**, the Successor Agency further requests that the
12 Oversight Board make certain determinations described below on
13 which the Successor Agency will rely in undertaking the
14 refunding proceedings and the issuance of the Refunding Bonds;

15
16 **WHEREAS**, the Successor Agency has determined to sell the
17 Refunding Series A Bonds to Citigroup Global Markets Inc. (in
18 such capacity, together with any other underwriter selected by
19 the Authorized Officers to serve as a co-manager, the "Series A
20 Original Purchaser") pursuant to the terms of the Bond Purchase
21 Agreement (the "Series A Purchase Agreement") to be entered into
22 by the Successor Agency and the Series A Original Purchaser;

23
24 **WHEREAS**, the Successor Agency has determined to sell the
25 Refunding Series D Bonds to Citigroup Global Markets Inc. (in
26 such capacity, together with any other underwriter selected by
27 the Authorized Officers to serve as a co-manager, the "Series D
28 Original Purchaser") pursuant to the terms of the Bond Purchase

1 Agreement (the "Series D Purchase Agreement") to be entered into
2 by the Successor Agency and the Series D Original Purchaser;
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5 **WHEREAS**, the Successor Agency has determined to sell the
6 Refunding Series E Bonds to Citigroup Global Markets Inc. (in
7 such capacity, together with any other underwriter selected by
8 the Authorized Officers to serve as a co-manager, the "Series E
9 Original Purchaser" and together with the Series A Original
10 Purchaser and the Series D Original Purchaser, the "Original
11 Purchasers") pursuant to the terms of the Bond Purchase
12 Agreement (the "Series E Purchase Agreement" and together with
13 the Series A Purchase Agreement and the Series D Purchase
14 Agreement, the "Purchase Agreement" and each a "Purchase
15 Agreement") to be entered into by the Successor Agency and the
16 Series D Original Purchaser; and

17
18 **WHEREAS**, following approval by the Oversight Board of the
19 issuance of the Refunding Bonds by the Successor Agency and upon
20 submission of the Oversight Board Resolution to the California
21 Department of Finance, the Successor Agency will, with the
22 assistance its Disclosure Counsel, the Financial Advisor and the
23 Fiscal Consultant to the Successor Agency, cause to be prepared
24 a form of Official Statement for each of the Refunding Series A
25 Bonds, the Refunding Series D Bonds and the Refunding Series E
26 Bonds in each case describing the applicable Refunding Bonds and
27 containing material information relating to the Successor Agency
28 and the applicable Refunding Bonds, the preliminary forms of

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2 which will be submitted to the Successor Agency for approval for
3 distribution by the applicable Original Purchaser, as
4 underwriter of the applicable Refunding Bonds, to persons and
5 institutions interested in purchasing such Refunding Bonds;

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

9
10 1. Determination of Savings. The Successor Agency has
11 determined that there are significant potential savings
12 available to the Successor Agency and to applicable taxing
13 entities in compliance with the Savings Parameters by the
14 issuance by the Successor Agency of the Refunding Bonds to
15 provide funds to refund and defease the Prior Bonds, all as
16 evidenced by the Debt Service Savings Analysis on file with the
17 Secretary of the Successor Agency, which Debt Service Savings
18 Analysis is hereby approved.

19
20 2. Approval of Issuance of the Bonds.

21
22 (a) The Successor Agency hereby authorizes and approves
23 the issuance of the Refunding Series A Bonds under the Law and
24 the Refunding Law in the aggregate principal amount of not to
25 exceed \$27,500,000, provided that the Refunding Series A Bonds
26 are in compliance with the Savings Parameters with respect
27 thereto at the time of sale and delivery;

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2 (b) The Successor Agency hereby authorizes and approves
3 the issuance of the Refunding Series D Bonds under the Law and
4 the Refunding Law in the aggregate principal amount of not to
5 exceed \$39,000,000, provided that the Refunding Series D Bonds
6 are in compliance with the Savings Parameters with respect
7 thereto at the time of sale and delivery; and

8
9 (c) The Successor Agency hereby authorizes and approves
10 the issuance of the Refunding Series E Bonds under the Law and
11 the Refunding Law in the aggregate principal amount of not to
12 exceed \$23,000,000, provided that the Refunding Series E Bonds
13 are in compliance with the Savings Parameters with respect
14 thereto at the time of sale and delivery.

15
16 3. Approval of Indentures. The Successor Agency hereby
17 approves the Indentures prescribing the terms and provisions of
18 the Refunding Bonds and the application of the proceeds of the
19 Refunding Bonds. Each of the Chief Executive Officer or the
20 Deputy Chief Executive Officer of the County of Riverside, on
21 behalf of the Successor Agency (each, an "Authorized Officer"),
22 is hereby authorized and directed to execute and deliver, and
23 the Secretary of the Successor Agency, is hereby authorized and
24 directed to attest to, each Indenture for and in the name and on
25 behalf of the Successor Agency, in substantially the forms on
26 file with the Secretary of the Successor Agency, with such
27 changes therein, deletions therefrom and additions thereto as
28 the Authorized Officer executing the same shall approve, such

1 approval to be conclusively evidenced by the execution and
2 delivery of each such Indenture. The Successor Agency hereby
3 authorizes the delivery and performance of each Indenture.
4

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6 4. Approval of Supplemental Indentures. The Successor
7 Agency hereby further approves the Supplemental Indentures. Each
8 Authorized Officer, is hereby authorized and directed to execute
9 and deliver, and the Secretary of the Successor Agency, is
10 hereby authorized and directed to attest to, each Supplemental
11 Indenture for and in the name and on behalf of the Successor
12 Agency, in substantially the forms on file with the Secretary of
13 the Successor Agency, with such changes therein, deletions
14 therefrom and additions thereto as the Authorized Officer
15 executing the same shall approve, such approval to be
16 conclusively evidenced by the execution and delivery of each
17 such Supplemental Indenture. The Successor Agency hereby
18 authorizes the delivery and performance of each Supplemental
19 Indenture.

20
21 5. Approval of Refunding Instructions. The forms of the
22 Refunding Instructions on file with the Secretary are hereby
23 approved and the Authorized Officers are, each acting alone
24 hereby authorized and directed, for and in the name and on
25 behalf of the Successor Agency, to execute and deliver the
26 Refunding Instructions. The Successor Agency hereby authorizes
27 the delivery and performance of its obligations under the
28 Refunding Instructions.

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3 6. Oversight Board Approval of the Issuance of the Bonds.

4 The Successor Agency hereby requests the Oversight Board as
5 authorized by Section 34177.5(f) and Section 34180 to approve
6 the issuance of the Refunding Bonds pursuant to Section
7 34177.5(a)(1) and this Resolution and the Indentures.

8
9 7. Determinations by the Oversight Board. The Successor

10 Agency requests that the Oversight Board make the following
11 determinations upon which the Successor Agency will rely in
12 undertaking the refunding proceedings and the issuance of the
13 Refunding Bonds:

14
15 (a) The Successor Agency is authorized, as provided in
16 Section 34177.5(f), to recover its costs related to the issuance
17 of each of the Refunding Bonds from the proceeds of such
18 Refunding Bonds, including the cost of reimbursing its
19 administrative staff for time spent with respect to the
20 authorization, issuance, sale and delivery of such Refunding
21 Bonds;

22
23 (b) The application of proceeds of each of the Refunding
24 Bonds by the Successor Agency to the refunding and defeasance of
25 the respective Prior Bonds, as well as the payment by the
26 Successor Agency of costs of issuance of each of the Refunding
27 Bonds, as provided in Section 34177.5(a), shall be implemented
28 by the Successor Agency promptly upon sale and delivery of the

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respective Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Riverside County Auditor-Controller or any other person or entity other than the Successor Agency;

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34181(a)(3) without any deductions with respect to continuing costs related to each of the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of any of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings with respect to such Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

8. Filing of Debt Service Savings Analysis and Resolution. The Secretary of the Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j)

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2 with the Riverside County Administrative Officer, the Riverside
3 County Auditor-Controller and the California Department of
4 Finance.

5
6 9. Sale of Refunding Bonds. The Successor Agency hereby
7 approves the Purchase Agreements. The Authorized Officers, each
8 acting alone, are hereby authorized and directed to execute and
9 deliver each Purchase Agreement for and in the name and on
10 behalf of the Successor Agency, in substantially the forms on
11 file with the Secretary of the Successor Agency, with such
12 changes therein, deletions therefrom and additions thereto as
13 the Authorized Officer executing the same shall approve, such
14 approval to be conclusively evidenced by the execution and
15 delivery of each such Purchase Agreement. The Authorized
16 Officers are further authorized to select one or more co-
17 managing underwriters for one or more series of the Refunding
18 Bonds.

19
20 10. Issuance of Refunding Bonds in Whole or in Part. It
21 is the intent of the Successor Agency to sell and deliver the
22 Refunding Bonds in whole, provided that there is compliance with
23 the Savings Parameters. However, the Successor Agency will
24 initially authorize the sale and delivery of the Refunding Bonds
25 in whole or, if such Savings Parameters cannot be met with
26 respect to the whole, then in part; provided that the Refunding
27 Bonds so sold and delivered in part are in compliance with the
28 Savings Parameters. The sale and delivery of the Refunding

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2 Bonds in part will in each instance provide sufficient funds
3 only for the refunding of that portion of the Refunding Bonds
4 that meet the Savings Parameters. In the event the Refunding
5 Bonds are initially sold in part, the Successor Agency intends
6 to sell and deliver additional parts of the Refunding Bonds
7 without the prior approval of the Oversight Board provided that
8 in each such instance the Refunding Bonds so sold and delivered
9 in part are in compliance with the Savings Parameters.

10
11 11. Municipal Bond Insurance and Surety Bonds. The
12 Authorized Officers, each acting alone, are hereby authorized
13 and directed to take all actions necessary to obtain a municipal
14 bond insurance policy for any of the Refunding Bonds and reserve
15 account surety bonds for any of the Refunding Bonds from a
16 municipal bond insurance company if it is determined, upon
17 consultation with the Financial Advisor and the Original
18 Purchaser of such Refunding Bonds, that such municipal bond
19 insurance policy and/or surety bonds will reduce the true
20 interest costs with respect to such Refunding Bonds.

21
22 12. Approval of Official Statement. Following approval by
23 the Oversight Board of the issuance of the Refunding Bonds by
24 the Successor Agency and upon submission of the Oversight Board
25 Resolution to the California Department of Finance, the
26 Successor Agency will, with the assistance its Disclosure
27 Counsel, Fiscal Consultant and Financial Advisor, cause to be
28 prepared a form of Official Statement for each of the Refunding

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2 Series A Bonds, the Refunding Series D Bonds and the Refunding
3 Series E Bonds, in each case describing the applicable Refunding
4 Bonds and containing material information relating to the
5 Successor Agency and the applicable Refunding Bonds, the
6 preliminary forms of which will be submitted to the Successor
7 Agency for approval for distribution by the applicable Original
8 Purchaser to persons and institutions interested in purchasing
9 such Refunding Bonds.

10
11 13. Official Actions. The Authorized Officers and any and
12 all other officers of the Successor Agency are hereby authorized
13 and directed, for and in the name and on behalf of the Successor
14 Agency, to do any and all things and take any and all actions,
15 which they, or any of them, may deem necessary or advisable in
16 obtaining the requested approvals by the Oversight Board and the
17 California Department of Finance and in the issuance, sale and
18 delivery of the Refunding Bonds. Whenever in this Resolution
19 any officer of the Successor Agency is directed to execute or
20 countersign any document or take any action, such execution,
21 countersigning or action may be taken on behalf of such officer
22 by any person designated by such officer to act on his or her
23 behalf in the case such officer is absent or unavailable.

24
25 14. Effective Date. This Resolution shall take effect from
26 and after the date of approval and adoption thereof.
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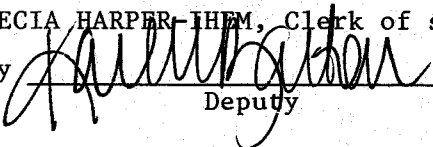
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The foregoing resolution was passed and adopted by the
Successor Agency to the Redevelopment Agency for the County of
Riverside at a regular meeting held on the 3rd day of June,
2014, by the following vote:

ROLL CALL:

Ayes: Jeffries, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione

The foregoing is certified to be a true copy of a resolution duly
adopted by said Board of Supervisors on the date therein set forth.

KECIA HARPER-IHEM, Clerk of said Board
By  Deputy

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EXHIBIT A

Existing Indentures

Project Area No. 1.

1. Indenture of Trust, dated as of December 1, 2004, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Former Agency's Redevelopment Agency For the County of Riverside Redevelopment Project Area No. 1 2004 Tax Allocation Bonds, Series A, in the aggregate principal amount of \$24,865,000.

2. Indenture of Trust, dated as of September 1, 2005, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Former Agency's Redevelopment Agency For the County of Riverside Redevelopment Project Area No. 1 2005 Tax Allocation Bonds, Series A, in the aggregate principal amount of \$29,055,000.

3. Indenture of Trust, dated as of October 1, 2006, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Former Agency's Redevelopment Agency For the County of Riverside Redevelopment Project Area No. 1 2006 Tax Allocation Bonds, Series A, in the aggregate principal amount of \$22,045,000.

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2 Jurupa Valley Redevelopment Project Area

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4 4. Indenture of Trust, dated as of December 1, 2004, by and
5 between the Former Agency and The Bank of New York Mellon
6 Trust Company, N.A., as trustee, relating to the Former
7 Agency's Redevelopment Agency For the County of Riverside
8 Jurupa Valley Redevelopment Project Area 2004 Tax
9 Allocation Bonds, Series B, in the aggregate principal
10 amount of \$16,715,000.

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12 5. Indenture of Trust, dated as of September 1, 2005, by and
13 between the Former Agency and The Bank of New York Mellon
14 Trust Company, N.A., as trustee, relating to the Former
15 Agency's Redevelopment Agency For the County of Riverside
16 Jurupa Valley Redevelopment Project Area 2005 Tax
17 Allocation Bonds, Series B, in the aggregate principal
18 amount of \$60,220,000.

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20 6. Indenture of Trust, dated as of October 1, 2006, by and
21 between the Former Agency and The Bank of New York Mellon
22 Trust Company, N.A., as trustee, relating to the Former
23 Agency's Redevelopment Agency For the County of Riverside
24 Jurupa Valley Redevelopment Project Area 2006 Tax
25 Allocation Bonds, in the aggregate principal amount of
26 \$68,740,000.
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7. Indenture of Trust, dated as of April 1, 2007, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Former Agency's Redevelopment Agency For the County of Riverside Jurupa Valley Redevelopment Project Area 2007 Tax Allocation Refunding Bonds, Series B, in the aggregate principal amount of \$89,990,000.

8. Indenture of Trust, dated as of March 1, 2011, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Former Agency's (i) Redevelopment Agency For the County of Riverside Jurupa Valley Redevelopment Project Area 2011 Tax Allocation Bonds, Series B, in the aggregate principal amount of \$23,133,000.50 and (ii) Redevelopment Agency For the County of Riverside Jurupa Valley Redevelopment Project Area 2011 Taxable Tax Allocation Bonds, Series B-T, in the aggregate principal amount of \$11,525,000.

Mid-County Redevelopment Project Area

9. Indenture of Trust, dated as of December 1, 2004, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Former Agency's Redevelopment Agency For the County of Riverside Mid-County Redevelopment Project Area 2004 Tax Allocation

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2 Bonds, Series C, in the aggregate principal amount of
3 \$6,125,000.

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5 10. Indenture of Trust, dated as of September 1, 2005, by
6 and between the Former Agency and The Bank of New York
7 Mellon Trust Company, N.A., as trustee, relating to the
8 Former Agency's Redevelopment Agency For the County of
9 Riverside Mid-County Redevelopment Project Area 2005 Tax
10 Allocation Bonds, Series C, in the aggregate principal
11 amount of \$12,385,000.

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13 11. Indenture of Trust, dated as of October 1, 2006, by
14 and between the Former Agency and The Bank of New York
15 Mellon Trust Company, N.A., as trustee, relating to the
16 Former Agency's Redevelopment Agency For the County of
17 Riverside Mid-County Redevelopment Project Area 2006 Tax
18 Allocation Bonds, Series C, in the aggregate principal
19 amount of \$11,775,000.

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21 12. Indenture of Trust, dated as of July 1, 2010, by and
22 between the Former Agency and The Bank of New York Mellon
23 Trust Company, N.A., as trustee, relating to the Former
24 Agency's Redevelopment Agency For the County of Riverside
25 Mid-County Redevelopment Project Area 2010 Tax Allocation
26 Bonds, Series C, in the aggregate principal amount of
27 \$5,645,000.
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3 Dessert Communities Redevelopment Project Area
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5 13. Indenture of Trust, dated as of December 1, 2004, by
6 and between the Former Agency and The Bank of New York
7 Mellon Trust Company, N.A., as trustee, relating to the
8 Former Agency's Redevelopment Agency For the County of
9 Riverside Desert Communities Redevelopment Project Area
10 2004 Tax Allocation Bonds, Series D, in the aggregate
11 principal amount of \$34,840,000.

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13 14. Indenture of Trust, dated as of September 1, 2005, by
14 and between the Former Agency and The Bank of New York
15 Mellon Trust Company, N.A., as trustee, relating to the
16 Former Agency's Redevelopment Agency For the County of
17 Riverside Desert Communities Redevelopment Project Area
18 2005 Tax Allocation Bonds, Series D, in the aggregate
19 principal amount of \$16,995,000.

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21 15. Indenture of Trust, dated as of October 1, 2006, by
22 and between the Former Agency and The Bank of New York
23 Mellon Trust Company, N.A., as trustee, relating to the
24 Former Agency's Redevelopment Agency For the County of
25 Riverside Desert Communities Redevelopment Project Area
26 2006 Tax Allocation Bonds, Series D, in the aggregate
27 principal amount of \$71,725,000.
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2 16. Indenture of Trust, dated as of July 1, 2010, by and
3 between the Former Agency and The Bank of New York Mellon
4 Trust Company, N.A., as trustee, relating to the Former
5 Agency's Redevelopment Agency For the County of Riverside
6 Desert Communities Redevelopment Project Area 2010 Tax
7 Allocation Bonds, Series D, in the aggregate principal
8 amount of \$32,415,000.

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10 Interstate 215 Corridor Redevelopment Project Area

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12 17. Indenture of Trust, dated as of December 1, 2004, by
13 and between the Former Agency and The Bank of New York
14 Mellon Trust Company, N.A., as trustee, relating to the
15 Former Agency's Redevelopment Agency For the County of
16 Riverside Interstate 215 Corridor Redevelopment Project
17 Area 2004 Tax Allocation Bonds, Series E, in the aggregate
18 principal amount of \$20,240,000.

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20 18. Indenture of Trust, dated as of September 1, 2005, by
21 and between the Former Agency and The Bank of New York
22 Mellon Trust Company, N.A., as trustee, relating to the
23 Former Agency's Redevelopment Agency For the County of
24 Riverside Interstate 215 Corridor Redevelopment Project
25 Area 2005 Tax Allocation Bonds, Series E, in the aggregate
26 principal amount of \$25,420,000.

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19. Indenture of Trust, dated as of October 1, 2006, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Former Agency's Redevelopment Agency For the County of Riverside Interstate 215 Corridor Redevelopment Project Area 2006 Tax Allocation Bonds, Series E, in the aggregate principal amount of \$29,255,000.

20. Indenture of Trust, dated as of July 1, 2010, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Former Agency's Redevelopment Agency For the County of Riverside Interstate 215 Corridor Redevelopment Project Area 2010 Tax Allocation Bonds, Series E, in the aggregate principal amount of \$50,520,000.



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

MEMORANDUM

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

Date: June 3, 2014

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

RE: Bond Refunding Plan

Introduction

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

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

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

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

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

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

Overview of Bond Refunding Plan

On February 20, 2014 the Successor Agency Oversight Board elected, pursuant to Health and Safety Code Section 34177.5(f), to participate in the Riverside County's Refunding Program which is available to all Successor Agencies in the County. (The Department approved an Indian Wells refunding through the County Program in April of this year.) Successor Agency staff and the Program's financing team has identified three (3) Series of Refunding Bonds totaling \$62,875,000 (the "Refunding Bonds"), which will refund \$67,215,000 of outstanding bonds. A bond structuring and pricing analysis was undertaken to assess whether the refinancing bonds could be pooled on a subordinate basis. Based on pricing information from the County Program's bond underwriters, Citigroup, and our own assessment it was determined that given senior bond ratings currently in the BBB category and already existing subordinate bonds, a further subordinate refunding structure, legally required to pool the issues together, did not increase net present value savings over the standalone refunding option. The expected added interest cost of pooling the issues together on a double subordinate basis was deemed to be significant and such a structure was not likely to be approved by bond insurers. The recommendation and financing plan is to issue three separate series of senior lien refunding bonds.

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

The Refunding Bonds will be purchased by the Riverside County Public Financing Authority (the "Authority"). The Authority will simultaneously issue Authority Tax Allocation Revenue Bonds underwritten by negotiated sale, provided savings are determined to be sufficient by



the Successor Agency and the Authority. If savings are insufficient the Successor Agency may forgo or delay the refinancing. Successor Agency; Authority Staff has determined a minimum net combined present value target of at or near 3% of the principal bonds refunded. The Bonds can be refunded or repaid at any time after October 1, 2014 upon 30 days' notice and are treated as a current refunding under Federal Tax Law. The refunding bonds will be tax exempt.

Refunding Candidates

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

1. **Project Area 1-1986** - \$19,275,000 2014 Tax Allocation Refunding Bonds, Series A. These bonds have a final maturity date of October 1, 2035 and are first callable 10/1/2014 at Par. Currently \$20,690,000 in Bonds are outstanding and refundable for acceptable savings. (The amount of refunding bonds sold is less than the bonds outstanding as a result of "premium" pricing; the net proceeds will be sufficient to redeem the outstanding bonds.)
2. **Desert Communities Project Area** - \$27,450,000 2014 Tax Allocation Refunding Bonds, Series D. These bonds have a final maturity date of October 1, 2034 and are first callable 10/1/2014 at Par. Currently \$29,315,000 in Bonds are outstanding and refundable for acceptable savings. (The amount of refunding bonds sold is less than the bonds outstanding as a result of "premium" pricing; the net proceeds will be sufficient to redeem the outstanding bonds.)
3. **I-215 Project Area** - \$16,150,000 2014 Tax Allocation Refunding Bonds, Series E. These bonds have a final maturity date of October 1, 2035 and are first callable 10/1/2014 at Par. Currently \$17,210,000 in Bonds are outstanding and refundable for acceptable savings. (The amount of refunding bonds sold is less than the bonds outstanding as a result of "premium" pricing; the net proceeds will be sufficient to redeem the outstanding bonds.)

The Authority also has Series 2004 Bonds outstanding in two other project areas, the Jurupa Valley Project Area and the Mid-County Project Area, and Series 2004 Housing Bonds, in addition to bonds issued in subsequent years. These issues are currently not candidates for refunding due to unattractive savings levels.

Bond Structure and Credit Considerations

The Series 2004 Bonds were issued by the Authority on the pooled basis. The Series 2004 Bonds purchased Successor Agency bonds issued by each of the Successor Agency's five project areas. In 2004 the Authority Bonds were insured by XL Capital, now Syncora Guarantee, and were rated Aaa/AAA. The current rating of the Series 2004 Bonds is BBB by Standard & Poor's. The Series 2014 Bonds will refund three of the five underlying project area bonds.



The 1-1986 (Project Area # 1) Series 2014 Tax Allocation Refunding Bonds, Series A will refund the underlying Series 2004 Project Area No. 1 Bonds. The DCPA Series 2014 Tax Allocation Refunding Bonds, Series D will refund underlying the Series 2004 Desert Communities Project Area Bonds. The I-215 Series 2014 Tax Allocation Refunding Bonds, Series E will refund the underlying Series 2004 I-215 Project Area Bonds. The term and repayment dates will be identical to the outstanding bonds being refunded. Savings will be proportional in each year. The Series 2014 Refunding Bonds will not be pooled for the reasons previously discussed.

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

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

The Authority's Pooled Series 2004 Bonds are currently rated "BBB" by Standard & Poor's. Specifically, the underlying Project Area # 1 Bonds are rated BBB+, the underlying Desert Communities Bonds are rating BBB and the underlying Project Area I- 215 Bonds are rated BBB+ It is expected that the three Series of 2014 Authority Bonds will receive ratings from Standard & Poor's of "BBB+", "BBB" and "BBB+" respectively, based on each project area's characteristics, increased debt service coverage and term. In the opinion of the County's Program advisors the ratings do not reflect the impact of the Dissolution Act's elimination of the housing set aside pledge, the cross collateralization between Project Areas now provided or the recovering property values in the Project Areas. It is expected that bond insurance will be available from Assured Guaranty Mutual or Build America Mutual increasing the ratings to the "AA" category (Assured Guarantee is currently rated AA-) by S&P. No Moody's or Fitch Rating will be applied for.



Summary of Expected Refunding Results

	<u>Project No. 1</u>	<u>Desert Communities</u>	<u>I-215</u>
Bonds Outstanding	\$20,690,000	\$29,315,000	\$17,210,000
Average Coupon	4.97%	4.97%	4.98%
Average Life	14.26	14.78	15.27
Final Maturity	2037	2037	2037
Refunding Bonds	\$19,275,000	\$27,450,000	\$16,150,000
True Interest Cost	3.96%	4.07%	4.05%
Final Maturity	2037	2037	2037
Average Life	14.24	14.78	15.32
Cash Flow Savings	\$2,458,228	\$3,238,996	\$1,837,815
Present Value Savings	\$1,652,999	\$2,142,576	\$1,223,169
As % of Refunded Bonds	7.99%	7.31%	7.11%

Savings Summary - Project No. 1

<u>Fiscal Year</u>	<u>Prior Debt Service</u>	<u>New Debt Service</u>	<u>Savings</u>	<u>PV Savings</u>
06/30/2015	519,338.02	466,703.47	52,634.55	51,685.29
06/30/2016	1,505,812.50	1,401,050.00	104,762.50	100,208.64
06/30/2017	1,505,937.50	1,401,425.00	104,512.50	96,503.13
06/30/2018	1,504,143.75	1,398,800.00	105,343.75	93,880.51
06/30/2019	1,505,268.75	1,402,900.00	102,368.75	88,033.94
06/30/2020	1,504,818.75	1,401,100.00	103,718.75	86,098.91
06/30/2021	1,502,793.75	1,395,625.00	107,168.75	85,844.26
06/30/2022	1,504,062.50	1,401,000.00	103,062.50	79,634.92
06/30/2023	1,504,362.50	1,399,750.00	104,612.50	77,983.09
06/30/2024	1,498,862.50	1,392,125.00	106,737.50	76,764.80
06/30/2025	1,496,737.50	1,393,000.00	103,737.50	71,966.18
06/30/2026	1,497,737.50	1,392,125.00	105,612.50	70,686.91
06/30/2027	1,497,787.50	1,394,375.00	103,412.50	66,756.25
06/30/2028	1,496,937.50	1,394,625.00	102,312.50	63,702.25
06/30/2029	1,494,187.50	1,388,000.00	106,187.50	63,778.95
06/30/2030	1,494,418.75	1,389,375.00	105,043.75	60,853.12
06/30/2031	1,496,125.00	1,393,375.00	102,750.00	57,422.39
06/30/2032	1,494,125.00	1,390,000.00	104,125.00	56,142.68
06/30/2033	1,489,625.00	1,384,375.00	105,250.00	54,752.24
06/30/2034	1,487,500.00	1,381,375.00	106,125.00	53,265.17
06/30/2035	1,589,875.00	1,483,125.00	106,750.00	51,694.51
06/30/2036	1,591,375.00	1,484,250.00	107,125.00	50,052.36
06/30/2037	1,589,375.00	1,487,000.00	102,375.00	46,150.29
06/30/2038	<u>1,588,750.00</u>	<u>1,486,250.00</u>	<u>102,500.00</u>	<u>44,583.80</u>
	35,359,956.77	32,901,728.47	2,458,228.30	1,648,444.57



Savings Summary - Desert Communities Project

<u>Fiscal Year</u>	<u>Prior Debt Service</u>	<u>New Debt Service</u>	<u>Savings</u>	<u>PV Savings</u>
06/30/2015	735,909.55	666,582.78	69,326.77	68,030.03
06/30/2016	2,087,687.50	1,946,350.00	141,337.50	134,997.40
06/30/2017	2,084,937.50	1,947,150.00	137,787.50	126,850.59
06/30/2018	2,084,681.25	1,948,900.00	135,781.25	120,466.91
06/30/2019	2,086,618.75	1,951,300.00	135,318.75	115,716.99
06/30/2020	2,086,456.25	1,947,600.00	138,856.25	114,477.03
06/30/2021	2,084,193.75	1,948,875.00	135,318.75	107,472.40
06/30/2022	2,079,831.25	1,939,875.00	139,956.25	107,117.75
06/30/2023	2,079,375.00	1,939,125.00	140,250.00	103,413.73
06/30/2024	2,082,625.00	1,946,125.00	136,500.00	96,953.33
06/30/2025	2,078,500.00	1,940,875.00	137,625.00	94,178.85
06/30/2026	2,077,000.00	1,938,500.00	138,500.00	91,313.34
06/30/2027	2,074,381.25	1,938,750.00	135,631.25	86,129.23
06/30/2028	2,075,587.50	1,936,500.00	139,087.50	85,085.63
06/30/2029	2,074,181.25	1,936,625.00	137,556.25	81,053.08
06/30/2030	2,070,162.50	1,934,000.00	136,162.50	77,279.75
06/30/2031	2,066,750.00	1,928,625.00	138,125.00	75,532.29
06/30/2032	2,068,500.00	1,930,250.00	138,250.00	72,839.46
06/30/2033	2,066,750.00	1,928,625.00	138,125.00	70,116.53
06/30/2034	2,061,500.00	1,923,750.00	137,750.00	67,374.03
06/30/2035	2,667,000.00	2,529,875.00	137,125.00	64,621.57
06/30/2036	2,667,125.00	2,530,875.00	136,250.00	61,867.91
06/30/2037	2,661,500.00	2,521,500.00	140,000.00	61,256.02
06/30/2038	<u>2,659,875.00</u>	<u>2,521,500.00</u>	<u>138,375.00</u>	<u>58,340.05</u>
	50,861,128.30	47,622,132.78	3,238,995.52	2,142,483.87

Savings Summary - I-215 Project

<u>Fiscal Year</u>	<u>Prior Debt Service</u>	<u>New Debt Service</u>	<u>Savings</u>	<u>PV Savings</u>
06/30/2015	432,055.80	393,222.50	38,833.30	38,115.51
06/30/2016	1,200,587.50	1,121,925.00	78,662.50	75,169.32
06/30/2017	1,197,712.50	1,121,425.00	76,287.50	70,291.61
06/30/2018	1,198,481.25	1,118,800.00	79,681.25	70,813.75
06/30/2019	1,197,743.75	1,118,900.00	78,843.75	67,560.86
06/30/2020	1,195,956.25	1,118,400.00	77,556.25	64,080.64
06/30/2021	1,197,987.50	1,120,125.00	77,862.50	62,013.12
06/30/2022	1,193,837.50	1,114,000.00	79,837.50	61,300.28
06/30/2023	1,194,125.00	1,116,875.00	77,250.00	57,158.59
06/30/2024	1,193,750.00	1,113,625.00	80,125.00	57,150.38
06/30/2025	1,192,125.00	1,114,250.00	77,875.00	53,530.82
06/30/2026	1,194,125.00	1,113,625.00	80,500.00	53,341.77



06/30/2027	1,195,381.25	1,116,625.00	78,756.25	50,287.80
06/30/2028	1,195,931.25	1,118,125.00	77,806.25	47,875.08
06/30/2029	1,195,056.25	1,118,125.00	76,931.25	45,615.61
06/30/2030	1,192,756.25	1,116,625.00	76,131.25	43,499.81
06/30/2031	1,193,000.00	1,113,625.00	79,375.00	43,721.01
06/30/2032	1,185,750.00	1,109,125.00	76,625.00	40,678.69
06/30/2033	1,186,750.00	1,108,000.00	78,750.00	40,301.02
06/30/2034	1,185,750.00	1,110,000.00	75,750.00	37,364.56
06/30/2035	1,777,500.00	1,699,875.00	77,625.00	36,910.71
06/30/2036	1,776,125.00	1,696,875.00	79,250.00	36,326.72
06/30/2037	1,771,000.00	1,690,375.00	80,625.00	35,626.81
06/30/2038	<u>1,845,000.00</u>	<u>1,768,125.00</u>	<u>76,875.00</u>	<u>32,746.59</u>
	30,288,487.05	28,450,672.50	1,837,814.55	1,221,481.04

Underwriting and Issuance

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

Process and Timing

The Successor Agency Board and Oversight Board initially approved the refinancing in concept in February of 2014. The respective Boards approved the financing program documents at their June meetings. The Authority will take action following the receipt of approval from the Department of Finance. Assuming timely approvals from all agencies including the State Department of Finance, the Successor Agency and the Authority anticipate issuing the Refunding Bonds in September of 2014.

Allocation of Savings

It is expected that reductions in annual debt service will be allocated by the County Auditor to the appropriate taxing entities semiannually as part of the tax apportionment and ROPS processes. The primary beneficiaries are school and community college districts with approximately 60% of the savings. The County will receive approximately 21% of the annual savings with the remainder distributed to cities and special districts. (See attached summary.)



Compliance with AB 1484

Based upon the current projected results the Refunding Bonds would easily meet the tests imposed by AB 1484. The total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds does not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance. In fact, the projected savings on a present value basis for all three series are well in excess of the generally accepted 3% target and the refundings will provide approximately \$7.5 million in additional tax revenue to the participating taxing entities.

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

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

Attachment 1 – Savings Allocation

Residual Allocation Factors for Taxing Entities in County EDA Project Areas

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



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

Source: County of Riverside ACO, January 2014 Residual Allocation



Bond Sizing, Debt Service and Savings Schedules



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SOURCES AND USES OF FUNDS

Riverside County RDA
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 Scenario A - Refunding on Senior Lien

Sources:	Refunding of Riverside Co Pub Fin Auth - Series 2004 - Project Area No. 1	Refunding of Riverside Co Pub Fin Auth - Series 2004 - Desert Communities Redevelopment Project Area	Refunding of Riverside Co Pub Fin Auth - Series 2004 - I-215 Redevelopment Project Area	Total
Bond Proceeds:				
Par Amount	19,275,000.00	27,450,000.00	16,150,000.00	62,875,000.00
Premium	2,103,545.10	2,741,493.00	1,693,128.80	6,538,166.90
	<u>21,378,545.10</u>	<u>30,191,493.00</u>	<u>17,843,128.80</u>	<u>69,413,166.90</u>
Other Sources of Funds:				
Bond Fund	513,599.48	727,777.95	427,281.70	1,668,659.13
	<u>21,892,144.58</u>	<u>30,919,270.95</u>	<u>18,270,410.50</u>	<u>71,081,826.03</u>

Uses:	Refunding of Riverside Co Pub Fin Auth - Series 2004 - Project Area No. 1	Refunding of Riverside Co Pub Fin Auth - Series 2004 - Desert Communities Redevelopment Project Area	Refunding of Riverside Co Pub Fin Auth - Series 2004 - I-215 Redevelopment Project Area	Total
Refunding Escrow Deposits:				
Cash Deposit	21,206,468.75	30,046,843.75	17,639,668.75	68,892,981.25
Delivery Date Expenses:				
Cost of Issuance	250,000.00	250,000.00	250,000.00	750,000.00
Underwriter's Discount	114,281.74	154,274.93	98,571.61	367,128.28
Bond Insurance	279,664.69	404,788.13	241,830.72	926,283.54
Surety Policy	37,175.00	63,271.88	38,651.14	139,098.02
	<u>681,121.43</u>	<u>872,334.94</u>	<u>629,053.47</u>	<u>2,182,509.84</u>
Other Uses of Funds:				
Additional Proceeds	4,554.40	92.26	1,688.28	6,334.94
	<u>21,892,144.58</u>	<u>30,919,270.95</u>	<u>18,270,410.50</u>	<u>71,081,826.03</u>

Notes:

Assumes existing indentures with insurance (@ 85 bps of debt service) and surety (@ 2.5% of requirement)
 Refundings select all candidates with at least 3.0% NPV Savings
 Assumes 9/30/14 closing
 Rating Assumption Project Area 1: BBB+
 Rating Assumption Desert Communities: BBB
 Rating Assumption I-215: BBB+

SUMMARY OF REFUNDING RESULTS

Riverside County RDA
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	Refunding of Riverside Co Pub Fin Auth - Series 2004 - Desert Communities Redevelopment Project Area	Refunding of Riverside Co Pub Fin Auth - Series 2004 - I-215 Redevelopment Project Area	Total
Dated Date	09/30/2014	09/30/2014	09/30/2014
Delivery Date	09/30/2014	09/30/2014	09/30/2014
Arbitrage Yield	3.736211%	3.736211%	3.736211%
Escrow Yield	-	-	-
Value of Negative Arbitrage	-	-	-
Bond Par Amount	19,275,000.00	27,450,000.00	62,875,000.00
True Interest Cost	3.955812%	4.065777%	4.029559%
Net Interest Cost	4.240849%	4.332153%	4.304102%
All-In TIC	4.225710%	4.301848%	4.289650%
Average Coupon	4.965764%	4.969531%	4.969311%
Average Life	14.237	14.787	14.754
Par amount of refunded bonds	20,690,000.00	29,315,000.00	67,215,000.00
Average coupon of refunded bonds	4.971477%	4.974386%	4.974166%
Average life of refunded bonds	14.262	14.775	14.744
PV of prior debt	24,091,836.48	33,778,829.99	5,018,744.42
Net PV Savings	1,652,998.97	2,142,576.13	7,466,703%
Percentage savings of refunded bonds	7.989362%	7.308805%	7.982098%
Percentage savings of refunding bonds	8.575870%	7.805378%	7.982098%

SUMMARY OF FINANCING RESULTS

Riverside County RDA
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Series	Bond Par	Bond Yield	Contingency	Escrow Yield	Negative Arbitrage	Net Savings
Refunding of Riverside Co Pub Fin Auth - Series 20	19,275,000.00	3.652%	4,554.40	-	-	1,652,998.97
Refunding of Riverside Co Pub Fin Auth - Series 20	27,450,000.00	3.790%	92.26	-	-	2,142,576.13
Refunding of Riverside Co Pub Fin Auth - Series 20	16,150,000.00	3.745%	1,688.28	-	-	1,223,169.32
	62,875,000.00		6,334.94		0.00	5,018,744.42

Aggregate:

Arbitrage Yield 3.736211%
 Escrow Yield -

BOND MATURITY TABLE

Riverside County RDA
2014 Tax Allocation Refunding
Riverside County

*** Preliminary - Subject to Change ***

Rates as of May 19, 2014

Scenario A - Refunding on Senior Lien

Maturity Date	Refunding of Riverside Co Pub Fin Auth - Series 2004 - Project Area No. 1	Refunding of Riverside Co Pub Fin Auth - Series 2004 - Desert Communities Redevelopment Project Area	Refunding of Riverside Co Pub Fin Auth - Series 2004 - I-215 Redevelopment Project Area	Total
10/01/2015	480,000	630,000	345,000	1,455,000
10/01/2016	495,000	650,000	355,000	1,500,000
10/01/2017	510,000	675,000	365,000	1,550,000
10/01/2018	535,000	705,000	380,000	1,620,000
10/01/2019	555,000	730,000	395,000	1,680,000
10/01/2020	575,000	765,000	415,000	1,755,000
10/01/2021	610,000	795,000	430,000	1,835,000
10/01/2022	640,000	835,000	455,000	1,930,000
10/01/2023	665,000	885,000	475,000	2,025,000
10/01/2024	700,000	925,000	500,000	2,125,000
10/01/2025	735,000	970,000	525,000	2,230,000
10/01/2026	775,000	1,020,000	555,000	2,350,000
10/01/2027	815,000	1,070,000	585,000	2,470,000
10/01/2028	850,000	1,125,000	615,000	2,590,000
10/01/2029	895,000	1,180,000	645,000	2,720,000
10/01/2030	945,000	1,235,000	675,000	2,855,000
10/01/2031	990,000	1,300,000	705,000	2,995,000
10/01/2032	1,035,000	1,365,000	740,000	3,140,000
10/01/2033	1,085,000	1,430,000	780,000	3,295,000
10/01/2034	1,245,000	2,125,000	1,425,000	4,795,000
10/01/2035	1,310,000	2,235,000	1,495,000	5,040,000
10/01/2036	1,380,000	2,340,000	1,565,000	5,285,000
10/01/2037	1,450,000	2,460,000	1,725,000	5,635,000
	19,275,000	27,450,000	16,150,000	62,875,000

BOND PRICING

Riverside County RDA
 2014 Tax Allocation Refunding
 Riverside County

*** Preliminary - Subject to Change ***
 Rates as of May 19, 2014
 Scenario A - Refunding on Senior Lien

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Refunding of Riverside Co Pub Fin Auth - Series 20, Tax-Exempt BBB+ Serial Bonds:									
	10/01/2015	480,000	3.000%	0.500%	102.497	-	-	-	11,985.60
	10/01/2016	495,000	3.000%	0.710%	104.545	-	-	-	22,497.75
	10/01/2017	510,000	4.000%	1.070%	108.635	-	-	-	44,038.50
	10/01/2018	535,000	4.000%	1.440%	109.922	-	-	-	53,082.70
	10/01/2019	555,000	4.000%	1.770%	110.631	-	-	-	59,002.05
	10/01/2020	575,000	5.000%	2.070%	116.459	-	-	-	94,639.25
	10/01/2021	610,000	5.000%	2.380%	116.808	-	-	-	102,528.80
	10/01/2022	640,000	5.000%	2.630%	117.003	-	-	-	108,819.20
	10/01/2023	665,000	5.000%	2.860%	116.879	-	-	-	112,245.35
	10/01/2024	700,000	5.000%	3.020%	116.984	-	-	-	118,888.00
	10/01/2025	735,000	5.000%	3.180%	115.489 C	3.309%	10/01/2024	100.000	113,844.15
	10/01/2026	775,000	5.000%	3.340%	114.017 C	3.555%	10/01/2024	100.000	108,631.75
	10/01/2027	815,000	5.000%	3.430%	113.198 C	3.711%	10/01/2024	100.000	107,563.70
	10/01/2028	850,000	5.000%	3.520%	112.387 C	3.848%	10/01/2024	100.000	105,289.50
	10/01/2029	895,000	5.000%	3.610%	111.583 C	3.968%	10/01/2024	100.000	103,667.85
	10/01/2030	945,000	5.000%	3.680%	110.962 C	4.062%	10/01/2024	100.000	103,590.90
	10/01/2031	990,000	5.000%	3.750%	110.346 C	4.146%	10/01/2024	100.000	102,425.40
	10/01/2032	1,035,000	5.000%	3.820%	109.733 C	4.223%	10/01/2024	100.000	100,736.55
	10/01/2033	1,085,000	5.000%	3.890%	109.125 C	4.293%	10/01/2024	100.000	99,006.25
	10/01/2034	1,245,000	5.000%	3.950%	108.607 C	4.351%	10/01/2024	100.000	107,157.15
	10/01/2035	1,310,000	5.000%	4.000%	108.177 C	4.399%	10/01/2024	100.000	107,118.70
	10/01/2036	1,380,000	5.000%	4.040%	107.835 C	4.439%	10/01/2024	100.000	108,123.00
	10/01/2037	1,450,000	5.000%	4.080%	107.494 C	4.475%	10/01/2024	100.000	108,663.00
		19,275,000							2,103,545.10
Refunding of Riverside Co Pub Fin Auth - Series 20, Tax-Exempt BBB Serial Bonds:									
	10/01/2015	630,000	3.000%	0.550%	102.446	-	-	-	15,409.80
	10/01/2016	650,000	3.000%	0.760%	104.443	-	-	-	28,879.50
	10/01/2017	675,000	4.000%	1.120%	108.480	-	-	-	57,240.00
	10/01/2018	705,000	4.000%	1.490%	109.718	-	-	-	68,511.90
	10/01/2019	730,000	4.000%	1.820%	110.379	-	-	-	75,766.70
	10/01/2020	765,000	5.000%	2.120%	116.152	-	-	-	123,562.80
	10/01/2021	795,000	5.000%	2.430%	116.457	-	-	-	130,833.15

BOND PRICING

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Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Refunding of Riverside Co Pub Fin Auth - Series 20, Tax-Exempt BBB Serial Bonds:									
	10/01/2022	835,000	5.000%	2.680%	116.610	-	-	-	138,693.50
	10/01/2023	885,000	5.000%	2.910%	116.448	-	-	-	145,564.80
	10/01/2024	925,000	5.000%	3.070%	116.514	-	-	-	152,754.50
	10/01/2025	970,000	5.000%	3.280%	114.566 C	3.402%	10/01/2024	100.000	141,290.20
	10/01/2026	1,020,000	5.000%	3.440%	113.108 C	3.642%	10/01/2024	100.000	133,701.60
	10/01/2027	1,070,000	5.000%	3.530%	112.298 C	3.793%	10/01/2024	100.000	131,588.60
	10/01/2028	1,125,000	5.000%	3.620%	111.494 C	3.925%	10/01/2024	100.000	129,307.50
	10/01/2029	1,180,000	5.000%	3.710%	110.698 C	4.042%	10/01/2024	100.000	126,236.40
	10/01/2030	1,235,000	5.000%	3.780%	110.083 C	4.133%	10/01/2024	100.000	124,525.05
	10/01/2031	1,300,000	5.000%	3.850%	109.472 C	4.214%	10/01/2024	100.000	123,136.00
	10/01/2032	1,365,000	5.000%	3.920%	108.865 C	4.288%	10/01/2024	100.000	121,007.25
	10/01/2033	1,430,000	5.000%	3.990%	108.263 C	4.356%	10/01/2024	100.000	118,160.90
	10/01/2034	2,125,000	5.000%	4.050%	107.749 C	4.413%	10/01/2024	100.000	164,666.25
	10/01/2035	2,235,000	5.000%	4.100%	107.324 C	4.459%	10/01/2024	100.000	163,691.40
	10/01/2036	2,340,000	5.000%	4.140%	106.985 C	4.497%	10/01/2024	100.000	163,449.00
	10/01/2037	2,460,000	5.000%	4.180%	106.647 C	4.532%	10/01/2024	100.000	163,516.20
		27,450,000							2,741,493.00

Refunding of Riverside Co Pub Fin Auth - Series 20, Tax-Exempt BBB+ Serial Bonds:									
	10/01/2015	345,000	3.000%	0.500%	102.497	-	-	-	8,614.65
	10/01/2016	355,000	3.000%	0.710%	104.545	-	-	-	16,134.75
	10/01/2017	365,000	4.000%	1.070%	108.635	-	-	-	31,517.75
	10/01/2018	380,000	4.000%	1.440%	109.922	-	-	-	37,703.60
	10/01/2019	395,000	4.000%	1.770%	110.631	-	-	-	41,992.45
	10/01/2020	415,000	5.000%	2.070%	116.459	-	-	-	68,304.85
	10/01/2021	430,000	5.000%	2.380%	116.808	-	-	-	72,274.40
	10/01/2022	455,000	5.000%	2.630%	117.003	-	-	-	77,363.65
	10/01/2023	475,000	5.000%	2.860%	116.879	-	-	-	80,175.25
	10/01/2024	500,000	5.000%	3.020%	116.984	-	-	-	84,920.00
	10/01/2025	525,000	5.000%	3.180%	115.489 C	3.309%	10/01/2024	100.000	81,317.25
	10/01/2026	555,000	5.000%	3.340%	114.017 C	3.559%	10/01/2024	100.000	77,794.35
	10/01/2027	585,000	5.000%	3.430%	113.198 C	3.711%	10/01/2024	100.000	77,208.30
	10/01/2028	615,000	5.000%	3.520%	112.387 C	3.848%	10/01/2024	100.000	76,180.05

BOND PRICING

Riverside County RDA
 2014 Tax Allocation Refunding
 Riverside County
 *** Preliminary - Subject to Change ***
 Rates as of May 19, 2014
 Scenario A - Refunding on Senior Lien

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Refunding of Riverside Co Pub Fin Auth - Series 20, Tax-Exempt BBB+ Serial Bonds:									
	10/01/2029	645,000	5.000%	3.610%	111.583 C	3.968%	10/01/2024	100.000	74,710.35
	10/01/2030	675,000	5.000%	3.680%	110.962 C	4.062%	10/01/2024	100.000	73,993.50
	10/01/2031	705,000	5.000%	3.750%	110.346 C	4.146%	10/01/2024	100.000	72,939.30
	10/01/2032	740,000	5.000%	3.820%	109.733 C	4.223%	10/01/2024	100.000	72,024.20
	10/01/2033	780,000	5.000%	3.890%	109.125 C	4.293%	10/01/2024	100.000	71,175.00
	10/01/2034	1,425,000	5.000%	3.950%	108.607 C	4.351%	10/01/2024	100.000	122,649.75
	10/01/2035	1,495,000	5.000%	4.000%	108.177 C	4.399%	10/01/2024	100.000	122,246.15
	10/01/2036	1,565,000	5.000%	4.040%	107.835 C	4.439%	10/01/2024	100.000	122,617.75
	10/01/2037	1,725,000	5.000%	4.080%	107.494 C	4.475%	10/01/2024	100.000	129,271.50
		16,150,000							1,693,128.80
		62,875,000							6,538,166.90

Dated Date	09/30/2014
Delivery Date	09/30/2014
First Coupon	04/01/2015
Par Amount	62,875,000.00
Premium	6,538,166.90
Production	69,413,166.90
Underwriter's Discount	-367,128.28
Purchase Price	69,046,038.62
Accrued Interest	-
Net Proceeds	69,046,038.62

SUMMARY OF BONDS REFUNDED

Riverside County RDA
 2014 Tax Allocation Refunding
 Riverside County
 *** Preliminary - Subject to Change ***
 Rates as of May 19, 2014
 Scenario A - Refunding on Senior Lien

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Riverside Co Pub Fin Auth - Series 2004 - Desert Communities Redevelopment Project Area:					
BOND	10/01/2015	5.000%	640,000.00	10/01/2014	100.000
	10/01/2016	5.000%	670,000.00	10/01/2014	100.000
	10/01/2017	5.250%	705,000.00	10/01/2014	100.000
	10/01/2018	5.250%	745,000.00	10/01/2014	100.000
	10/01/2019	5.250%	785,000.00	10/01/2014	100.000
	10/01/2020	5.250%	825,000.00	10/01/2014	100.000
	10/01/2021	5.250%	865,000.00	10/01/2014	100.000
	10/01/2022	5.000%	910,000.00	10/01/2014	100.000
	10/01/2023	5.000%	960,000.00	10/01/2014	100.000
	10/01/2024	5.000%	1,005,000.00	10/01/2014	100.000
	10/01/2025	5.000%	1,055,000.00	10/01/2014	100.000
TERM	10/01/2029	4.750%	4,750,000.00	10/01/2014	100.000
TERM02	10/01/2035	5.000%	10,335,000.00	10/01/2014	100.000
TERM03	10/01/2037	5.000%	5,065,000.00	10/01/2014	100.000
			<u>29,315,000.00</u>		
Riverside Co Pub Fin Auth - Series 2004 - I-215 Redevelopment Project Area:					
BOND	10/01/2015	5.000%	350,000.00	10/01/2014	100.000
	10/01/2016	5.000%	365,000.00	10/01/2014	100.000
	10/01/2017	5.250%	385,000.00	10/01/2014	100.000
	10/01/2018	5.250%	405,000.00	10/01/2014	100.000
	10/01/2019	5.250%	425,000.00	10/01/2014	100.000
	10/01/2020	5.250%	450,000.00	10/01/2014	100.000
	10/01/2021	5.250%	470,000.00	10/01/2014	100.000
	10/01/2022	5.000%	495,000.00	10/01/2014	100.000
	10/01/2023	5.000%	520,000.00	10/01/2014	100.000
	10/01/2024	5.000%	545,000.00	10/01/2014	100.000
	10/01/2025	5.000%	575,000.00	10/01/2014	100.000
TERM	10/01/2029	4.750%	2,600,000.00	10/01/2014	100.000
TERM02	10/01/2035	5.000%	6,185,000.00	10/01/2014	100.000
TERM03	10/01/2037	5.000%	3,440,000.00	10/01/2014	100.000
			<u>17,210,000.00</u>		
Riverside Co Pub Fin Auth - Series 2004 - Project Area No. 1:					
BOND	10/01/2015	5.000%	485,000.00	10/01/2014	100.000
	10/01/2016	5.000%	510,000.00	10/01/2014	100.000
	10/01/2017	5.250%	535,000.00	10/01/2014	100.000
	10/01/2018	5.250%	565,000.00	10/01/2014	100.000
	10/01/2019	5.250%	595,000.00	10/01/2014	100.000
	10/01/2020	5.250%	625,000.00	10/01/2014	100.000
	10/01/2021	5.250%	660,000.00	10/01/2014	100.000
	10/01/2022	5.000%	695,000.00	10/01/2014	100.000
	10/01/2023	5.000%	725,000.00	10/01/2014	100.000
	10/01/2024	5.000%	760,000.00	10/01/2014	100.000

SUMMARY OF BONDS REFUNDED

Riverside County RDA
2014 Tax Allocation Refunding
Riverside County
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014
Scenario A - Refunding on Senior Lien

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Riverside Co Pub Fin Auth - Series 2004 - Project Area No. 1:					
BOND	10/01/2025	5.000%	800,000.00	10/01/2014	100.000
TERM	10/01/2029	4.750%	3,605,000.00	10/01/2014	100.000
TERM02	10/01/2035	5.000%	7,105,000.00	10/01/2014	100.000
TERM03	10/01/2037	5.000%	3,025,000.00	10/01/2014	100.000
			20,690,000.00		
			67,215,000.00		

ESCROW REQUIREMENTS

Riverside County RDA
2014 Tax Allocation Refunding
Riverside County

*** Preliminary - Subject to Change ***

Rates as of May 19, 2014

Scenario A - Refunding on Senior Lien

Period Ending	Interest	Principal Redeemed	Total
10/01/2014	1,677,981.25	67,215,000.00	68,892,981.25
	1,677,981.25	67,215,000.00	68,892,981.25

ESCROW COST

Riverside County RDA
2014 Tax Allocation Refunding
Riverside County
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014
Scenario A - Refunding on Senior Lien

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
09/30/2014	-	68,892,981.25	68,892,981.25
	0	68,892,981.25	68,892,981.25

ESCROW SUFFICIENCY

Riverside County RDA
2014 Tax Allocation Refunding
Riverside County
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014
Scenario A - Refunding on Senior Lien

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
09/30/2014	-	68,892,981.25	68,892,981.25	68,892,981.25
10/01/2014	68,892,981.25	-	-68,892,981.25	-
	68,892,981.25	68,892,981.25	0.00	

ESCROW STATISTICS

Riverside County RDA
 2014 Tax Allocation Refunding
 Riverside County

*** Preliminary - Subject to Change ***
 Rates as of May 19, 2014
 Scenario A - Refunding on Senior Lien

Escrow	Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Disbursement Date	Yield to Escrow Cost	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Refunding of Riverside Co Pub Fin Auth - Series 2004 - Project Area No. 1, Global Proceeds Escrow:	21,206,468.75	-	-	-	21,204,288.28	-	-	2,180.47
Refunding of Riverside Co Pub Fin Auth - Series 2004 - Desert Communities, Global Proceeds Escrow:	30,046,843.75	-	-	-	30,043,754.31	-	-	3,089.44
Refunding of Riverside Co Pub Fin Auth - Series 2004 - I-215 Redevelopmen, Global Proceeds Escrow:	17,639,668.75	-	-	-	17,637,855.02	-	-	1,813.73
	68,892,981.25				68,885,897.61	0.00		7,083.64

Delivery date 09/30/2014
 Arbitrage yield 3.736211%

SUMMARY OF REFUNDING RESULTS

Riverside County RDA
Refunding of Riverside Co Pub Fin Auth - Series 2004 - Project Area No. 1

Dated Date	09/30/2014
Delivery Date	09/30/2014
Arbitrage yield	3.736211%
Escrow yield	-
Value of Negative Arbitrage	-
Bond Par Amount	19,275,000.00
True Interest Cost	3.955812%
Net Interest Cost	4.240849%
All-In TIC	4.225710%
Average Coupon	4.965764%
Average Life	14.237
Par amount of refunded bonds	20,690,000.00
Average coupon of refunded bonds	4.971477%
Average life of refunded bonds	14.262
PV of prior debt to 09/30/2014 @ 3.652037%	24,091,836.48
Net PV Savings	1,652,998.97
Percentage savings of refunded bonds	7.989362%
Percentage savings of refunding bonds	8.575870%

SAVINGS

Riverside County RDA
Refunding of Riverside Co Pub Fin Auth - Series 2004 - Project Area No. 1

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 09/30/2014 @ 3.6520374%
06/30/2015	1,032,937.50	513,599.48	519,338.02	466,703.47	52,634.55	51,685.29
06/30/2016	1,505,812.50	-	1,505,812.50	1,401,050.00	104,762.50	100,208.64
06/30/2017	1,505,937.50	-	1,505,937.50	1,401,425.00	104,512.50	96,503.13
06/30/2018	1,504,143.75	-	1,504,143.75	1,398,800.00	105,343.75	93,880.51
06/30/2019	1,505,268.75	-	1,505,268.75	1,402,900.00	102,368.75	88,033.94
06/30/2020	1,504,818.75	-	1,504,818.75	1,401,100.00	103,718.75	86,098.91
06/30/2021	1,502,793.75	-	1,502,793.75	1,395,625.00	107,168.75	85,844.26
06/30/2022	1,504,062.50	-	1,504,062.50	1,401,000.00	103,062.50	79,634.92
06/30/2023	1,504,362.50	-	1,504,362.50	1,399,750.00	104,612.50	77,983.09
06/30/2024	1,498,862.50	-	1,498,862.50	1,392,125.00	106,737.50	76,764.80
06/30/2025	1,496,737.50	-	1,496,737.50	1,393,000.00	103,737.50	71,966.18
06/30/2026	1,497,737.50	-	1,497,737.50	1,392,125.00	105,612.50	70,686.91
06/30/2027	1,497,787.50	-	1,497,787.50	1,394,375.00	103,412.50	66,756.25
06/30/2028	1,496,937.50	-	1,496,937.50	1,394,625.00	102,312.50	63,702.25
06/30/2029	1,494,187.50	-	1,494,187.50	1,388,000.00	106,187.50	63,778.95
06/30/2030	1,494,418.75	-	1,494,418.75	1,389,375.00	105,043.75	60,853.12
06/30/2031	1,496,125.00	-	1,496,125.00	1,393,375.00	102,750.00	57,422.39
06/30/2032	1,494,125.00	-	1,494,125.00	1,390,000.00	104,125.00	56,142.68
06/30/2033	1,489,625.00	-	1,489,625.00	1,384,375.00	105,250.00	54,752.24
06/30/2034	1,487,500.00	-	1,487,500.00	1,381,375.00	106,125.00	53,265.17
06/30/2035	1,589,875.00	-	1,589,875.00	1,483,125.00	106,750.00	51,694.51
06/30/2036	1,591,375.00	-	1,591,375.00	1,484,250.00	107,125.00	50,052.36
06/30/2037	1,589,375.00	-	1,589,375.00	1,487,000.00	102,375.00	46,150.29
06/30/2038	1,588,750.00	-	1,588,750.00	1,486,250.00	102,500.00	44,583.80
	35,873,556.25	513,599.48	35,359,956.77	32,901,728.47	2,458,228.30	1,648,444.57

Savings Summary

PV of savings from cash flow	1,648,444.57
Plus: Refunding funds on hand	4,554.40
Net PV Savings	1,652,998.97

BOND DEBT SERVICE

Riverside County RDA
Refunding of Riverside Co Pub Fin Auth - Series 2004 - Project Area No. 1

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2015	-	-	466,703.47	466,703.47
06/30/2016	480,000	3.000%	921,050.00	1,401,050.00
06/30/2017	495,000	3.000%	906,425.00	1,401,425.00
06/30/2018	510,000	4.000%	888,800.00	1,398,800.00
06/30/2019	535,000	4.000%	867,900.00	1,402,900.00
06/30/2020	555,000	4.000%	846,100.00	1,401,100.00
06/30/2021	575,000	5.000%	820,625.00	1,395,625.00
06/30/2022	610,000	5.000%	791,000.00	1,401,000.00
06/30/2023	640,000	5.000%	759,750.00	1,399,750.00
06/30/2024	665,000	5.000%	727,125.00	1,392,125.00
06/30/2025	700,000	5.000%	693,000.00	1,393,000.00
06/30/2026	735,000	5.000%	657,125.00	1,392,125.00
06/30/2027	775,000	5.000%	619,375.00	1,394,375.00
06/30/2028	815,000	5.000%	579,625.00	1,394,625.00
06/30/2029	850,000	5.000%	538,000.00	1,388,000.00
06/30/2030	895,000	5.000%	494,375.00	1,389,375.00
06/30/2031	945,000	5.000%	448,375.00	1,393,375.00
06/30/2032	990,000	5.000%	400,000.00	1,390,000.00
06/30/2033	1,035,000	5.000%	349,375.00	1,384,375.00
06/30/2034	1,085,000	5.000%	296,375.00	1,381,375.00
06/30/2035	1,245,000	5.000%	238,125.00	1,483,125.00
06/30/2036	1,310,000	5.000%	174,250.00	1,484,250.00
06/30/2037	1,380,000	5.000%	107,000.00	1,487,000.00
06/30/2038	1,450,000	5.000%	36,250.00	1,486,250.00
	19,275,000		13,626,728.47	32,901,728.47

SUMMARY OF REFUNDING RESULTS

Riverside County RDA
Refunding of Riverside Co Pub Fin Auth - Series 2004 - Desert Communities Redevelopment Project Area

Dated Date	09/30/2014
Delivery Date	09/30/2014
Arbitrage yield	3.736211%
Escrow yield	-
Value of Negative Arbitrage	-
Bond Par Amount	27,450,000.00
True Interest Cost	4.065777%
Net Interest Cost	4.332153%
All-In TIC	4.301848%
Average Coupon	4.969531%
Average Life	14.787
Par amount of refunded bonds	29,315,000.00
Average coupon of refunded bonds	4.974386%
Average life of refunded bonds	14.775
PV of prior debt to 09/30/2014 @ 3.790136%	33,778,829.99
Net PV Savings	2,142,576.13
Percentage savings of refunded bonds	7.308805%
Percentage savings of refunding bonds	7.805378%

SAVINGS

Riverside County RDA
Refunding of Riverside Co Pub Fin Auth - Series 2004 - Desert Communities Redevelopment Project Area

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 09/30/2014 @ 3.7901362%
06/30/2015	1,463,687.50	727,777.95	735,909.55	666,582.78	69,326.77	68,030.03
06/30/2016	2,087,687.50	-	2,087,687.50	1,946,350.00	141,337.50	134,997.40
06/30/2017	2,084,937.50	-	2,084,937.50	1,947,150.00	137,787.50	126,850.59
06/30/2018	2,084,681.25	-	2,084,681.25	1,948,900.00	135,781.25	120,466.91
06/30/2019	2,086,618.75	-	2,086,618.75	1,951,300.00	135,318.75	115,716.99
06/30/2020	2,086,456.25	-	2,086,456.25	1,947,600.00	138,856.25	114,477.03
06/30/2021	2,084,193.75	-	2,084,193.75	1,948,875.00	135,318.75	107,472.40
06/30/2022	2,079,831.25	-	2,079,831.25	1,939,875.00	139,956.25	107,117.75
06/30/2023	2,079,375.00	-	2,079,375.00	1,939,125.00	140,250.00	103,413.73
06/30/2024	2,082,625.00	-	2,082,625.00	1,946,125.00	136,500.00	96,953.33
06/30/2025	2,078,500.00	-	2,078,500.00	1,940,875.00	137,625.00	94,178.85
06/30/2026	2,077,000.00	-	2,077,000.00	1,938,500.00	138,500.00	91,313.34
06/30/2027	2,074,381.25	-	2,074,381.25	1,938,750.00	135,631.25	86,129.23
06/30/2028	2,075,587.50	-	2,075,587.50	1,936,500.00	139,087.50	85,085.63
06/30/2029	2,074,181.25	-	2,074,181.25	1,936,625.00	137,556.25	81,053.08
06/30/2030	2,070,162.50	-	2,070,162.50	1,934,000.00	136,162.50	77,279.75
06/30/2031	2,066,750.00	-	2,066,750.00	1,928,625.00	138,125.00	75,532.29
06/30/2032	2,068,500.00	-	2,068,500.00	1,930,250.00	138,250.00	72,839.46
06/30/2033	2,066,750.00	-	2,066,750.00	1,928,625.00	138,125.00	70,116.53
06/30/2034	2,061,500.00	-	2,061,500.00	1,923,750.00	137,750.00	67,374.03
06/30/2035	2,667,000.00	-	2,667,000.00	2,529,875.00	137,125.00	64,621.57
06/30/2036	2,667,125.00	-	2,667,125.00	2,530,875.00	136,250.00	61,867.91
06/30/2037	2,661,500.00	-	2,661,500.00	2,521,500.00	140,000.00	61,256.02
06/30/2038	2,659,875.00	-	2,659,875.00	2,521,500.00	138,375.00	58,340.05
	51,588,906.25	727,777.95	50,861,128.30	47,622,132.78	3,238,995.52	2,142,483.87

Savings Summary

PV of savings from cash flow	2,142,483.87
Plus: Refunding funds on hand	92.26
Net PV Savings	2,142,576.13

BOND DEBT SERVICE

Riverside County RDA
Refunding of Riverside Co Pub Fin Auth - Series 2004 - Desert Communities Redevelopment Project Area

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2015	-	-	666,582.78	666,582.78
06/30/2016	630,000	3.000%	1,316,350.00	1,946,350.00
06/30/2017	650,000	3.000%	1,297,150.00	1,947,150.00
06/30/2018	675,000	4.000%	1,273,900.00	1,948,900.00
06/30/2019	705,000	4.000%	1,246,300.00	1,951,300.00
06/30/2020	730,000	4.000%	1,217,600.00	1,947,600.00
06/30/2021	765,000	5.000%	1,183,875.00	1,948,875.00
06/30/2022	795,000	5.000%	1,144,875.00	1,939,875.00
06/30/2023	835,000	5.000%	1,104,125.00	1,939,125.00
06/30/2024	885,000	5.000%	1,061,125.00	1,946,125.00
06/30/2025	925,000	5.000%	1,015,875.00	1,940,875.00
06/30/2026	970,000	5.000%	968,500.00	1,938,500.00
06/30/2027	1,020,000	5.000%	918,750.00	1,938,750.00
06/30/2028	1,070,000	5.000%	866,500.00	1,936,500.00
06/30/2029	1,125,000	5.000%	811,625.00	1,936,625.00
06/30/2030	1,180,000	5.000%	754,000.00	1,934,000.00
06/30/2031	1,235,000	5.000%	693,625.00	1,928,625.00
06/30/2032	1,300,000	5.000%	630,250.00	1,930,250.00
06/30/2033	1,365,000	5.000%	563,625.00	1,928,625.00
06/30/2034	1,430,000	5.000%	493,750.00	1,923,750.00
06/30/2035	2,125,000	5.000%	404,875.00	2,529,875.00
06/30/2036	2,235,000	5.000%	295,875.00	2,530,875.00
06/30/2037	2,340,000	5.000%	181,500.00	2,521,500.00
06/30/2038	2,460,000	5.000%	61,500.00	2,521,500.00
	27,450,000		20,172,132.78	47,622,132.78

SUMMARY OF REFUNDING RESULTS

Riverside County RDA
Refunding of Riverside Co Pub Fin Auth - Series 2004 - I-215 Redevelopment Project Area

Dated Date	09/30/2014
Delivery Date	09/30/2014
Arbitrage yield	3.736211%
Escrow yield	-
Value of Negative Arbitrage	-
Bond Par Amount	16,150,000.00
True Interest Cost	4.053309%
Net Interest Cost	4.328241%
All-In TIC	4.342061%
Average Coupon	4.972885%
Average Life	15.316
Par amount of refunded bonds	17,210,000.00
Average coupon of refunded bonds	4.976824%
Average life of refunded bonds	15.269
PV of prior debt to 09/30/2014 @ 3.744531%	19,987,285.36
Net PV Savings	1,223,169.32
Percentage savings of refunded bonds	7.107317%
Percentage savings of refunding bonds	7.573804%

SAVINGS

Riverside County RDA
Refunding of Riverside Co Pub Fin Auth - Series 2004 - I-215 Redevelopment Project Area

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 09/30/2014 @ 3.7445309%
06/30/2015	859,337.50	427,281.70	432,055.80	393,222.50	38,833.30	38,115.51
06/30/2016	1,200,587.50	-	1,200,587.50	1,121,925.00	78,662.50	75,169.32
06/30/2017	1,197,712.50	-	1,197,712.50	1,121,425.00	76,287.50	70,291.61
06/30/2018	1,198,481.25	-	1,198,481.25	1,118,800.00	79,681.25	70,813.75
06/30/2019	1,197,743.75	-	1,197,743.75	1,118,900.00	78,843.75	67,560.86
06/30/2020	1,195,956.25	-	1,195,956.25	1,118,400.00	77,556.25	64,080.64
06/30/2021	1,197,987.50	-	1,197,987.50	1,120,125.00	77,862.50	62,013.12
06/30/2022	1,193,837.50	-	1,193,837.50	1,114,000.00	79,837.50	61,300.28
06/30/2023	1,194,125.00	-	1,194,125.00	1,116,875.00	77,250.00	57,158.59
06/30/2024	1,193,750.00	-	1,193,750.00	1,113,625.00	80,125.00	57,150.38
06/30/2025	1,192,125.00	-	1,192,125.00	1,114,250.00	77,875.00	53,530.82
06/30/2026	1,194,125.00	-	1,194,125.00	1,113,625.00	80,500.00	53,341.77
06/30/2027	1,195,381.25	-	1,195,381.25	1,116,625.00	78,756.25	50,287.80
06/30/2028	1,195,931.25	-	1,195,931.25	1,118,125.00	77,806.25	47,875.08
06/30/2029	1,195,056.25	-	1,195,056.25	1,118,125.00	76,931.25	45,615.61
06/30/2030	1,192,756.25	-	1,192,756.25	1,116,625.00	76,131.25	43,499.81
06/30/2031	1,193,000.00	-	1,193,000.00	1,113,625.00	79,375.00	43,721.01
06/30/2032	1,185,750.00	-	1,185,750.00	1,109,125.00	76,625.00	40,678.69
06/30/2033	1,186,750.00	-	1,186,750.00	1,108,000.00	78,750.00	40,301.02
06/30/2034	1,185,750.00	-	1,185,750.00	1,110,000.00	75,750.00	37,364.56
06/30/2035	1,777,500.00	-	1,777,500.00	1,699,875.00	77,625.00	36,910.71
06/30/2036	1,776,125.00	-	1,776,125.00	1,696,875.00	79,250.00	36,326.72
06/30/2037	1,771,000.00	-	1,771,000.00	1,690,375.00	80,625.00	35,626.81
06/30/2038	1,845,000.00	-	1,845,000.00	1,768,125.00	76,875.00	32,746.59
	30,715,768.75	427,281.70	30,288,487.05	28,450,672.50	1,837,814.55	1,221,481.04

Savings Summary

PV of savings from cash flow	1,221,481.04
Plus: Refunding funds on hand	1,688.28
Net PV Savings	1,223,169.32

BOND DEBT SERVICE

Riverside County RDA
Refunding of Riverside Co Pub Fin Auth - Series 2004 - I-215 Redevelopment Project Area

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2015	-	-	393,222.50	393,222.50
06/30/2016	345,000	3.000%	776,925.00	1,121,925.00
06/30/2017	355,000	3.000%	766,425.00	1,121,425.00
06/30/2018	365,000	4.000%	753,800.00	1,118,800.00
06/30/2019	380,000	4.000%	738,900.00	1,118,900.00
06/30/2020	395,000	4.000%	723,400.00	1,118,400.00
06/30/2021	415,000	5.000%	705,125.00	1,120,125.00
06/30/2022	430,000	5.000%	684,000.00	1,114,000.00
06/30/2023	455,000	5.000%	661,875.00	1,116,875.00
06/30/2024	475,000	5.000%	638,625.00	1,113,625.00
06/30/2025	500,000	5.000%	614,250.00	1,114,250.00
06/30/2026	525,000	5.000%	588,625.00	1,113,625.00
06/30/2027	555,000	5.000%	561,625.00	1,116,625.00
06/30/2028	585,000	5.000%	533,125.00	1,118,125.00
06/30/2029	615,000	5.000%	503,125.00	1,118,125.00
06/30/2030	645,000	5.000%	471,625.00	1,116,625.00
06/30/2031	675,000	5.000%	438,625.00	1,113,625.00
06/30/2032	705,000	5.000%	404,125.00	1,109,125.00
06/30/2033	740,000	5.000%	368,000.00	1,108,000.00
06/30/2034	780,000	5.000%	330,000.00	1,110,000.00
06/30/2035	1,425,000	5.000%	274,875.00	1,699,875.00
06/30/2036	1,495,000	5.000%	201,875.00	1,696,875.00
06/30/2037	1,565,000	5.000%	125,375.00	1,690,375.00
06/30/2038	1,725,000	5.000%	43,125.00	1,768,125.00
	16,150,000		12,300,672.50	28,450,672.50

DISCLAIMER

Riverside County RDA
2014 Tax Allocation Refunding
Riverside County
*** Preliminary - Subject to Change ***
Rates as of May 19, 2014
Scenario A - Refunding on Senior Lien

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DISCLAIMER

Riverside County RDA
2014 Tax Allocation Refunding
Riverside County

*** Preliminary - Subject to Change ***

Rates as of May 19, 2014

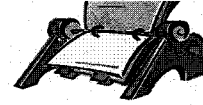
Scenario A - Refunding on Senior Lien

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Quick Interfund/Intrafund Reference Guide

Updated as of 6/16/2009



Column A	Column B
-----------------	-----------------

Note: When selecting an account from **Column A**, you must also select the offsetting account of the same category from **column B**

Due From Other Funds	Due To Other Funds
125100 Due From Funds (Governmental)	206100 Due to Funds (Enterprise)
125200 Due From Funds (Enterprise)	206200 Due to Funds (Governmental)
Advances To Other Funds	Advances From Other Funds
132100 Adv To Internal Service Funds	201900 Advances From The General Fund
132200 Advances To Enterprise Funds	201910 Advances From Other Funds
132300 Advance To Special Rev Funds	
132400 Advance To Special Districts	
Transfer In	Transfer Out
790500 Operating Transfer-In	551000 Operating Transfers-Out
790600 Contribution Fm Other County Funds	551001 Oper Tfr Out-Senate Bill 1732
	551002 Oper Tfr Out-Senate Bill 855
	551003 Oper Tfr Out-Senate Bill 1255
	551004 Oper Tfr Out-Assembly Bill 915
	551100 Contribution To Other County Funds
	551200 Realign County Match
Residual Equity Transfers Revenue	Residual Equity Transfers Expense
792000 Residual Equity Transfers	561000 Residual Equity Transfer Out
Interfund Revenues	Interfund Expenditures
778000 Interfnd -Air Quality AB2766	536720 Interfnd Exp-Admin Supt Direct
778010 Interfnd -CDBG	536740 Interfnd Exp-Admin Supt Indir
778020 Interfnd -Central Mail	536760 Interfnd Exp-Audit & Acctg Fee
778030 Interfnd-Reimb Of Cs Admin Ovh	536780 Interfnd Exp-Capital Projects
778040 Interfnd -Co Support Svcs	536781 Interfnd Exp-Infrastructure
778050 Interfnd-Co Supt Svcs Refund	536782 Interfnd Exp-Structures
778060 Interfnd -CSA Admin Chrgs	536783 Interfnd Exp-Equipment
778070 Interfnd -CSA Intracounty	536800 Interfnd Exp-CDBG
778080 Interfnd -Custodial	536820 Interfnd Exp-Central Mail
778090 Interfnd -EDA-CIC	536840 Interfnd Exp-Co Support Svc
778100 Interfnd -Engineering	536860 Interfnd Exp-Custodial
778110 Interfnd -Extra Duty	536880 Interfnd Exp-Distributions
778120 Interfnd -Fire Services	536890 Interfnd Exp-Equipment Rental
778130 Interfnd-Gain Contract Svcs	536900 Interfnd Exp-Fire Services
778140 Interfnd -Law Enforcement	536920 Interfnd Exp-Gen Office Exp
778150 Interfnd -Leases	536940 Interfnd Exp-Insurance
778160 Interfnd -Legal Services	536980 Interfnd Exp-Law Enforcement
778170 Interfnd -Maintenance	537000 Interfnd Exp-Leases
778180 Interfnd -Micrographics	537020 Interfnd Exp-Legal Services
778190 Interfnd-Development Fees	537040 Interfnd Exp-Maintenance
778200 Interfnd -Miscellaneous	537060 Interfnd Exp-Micrographic

Quick Interfund/Intrafund Reference Guide

Updated as of 6/16/2009

Interfund Revenues	=	Interfund Expenditures
778210 Interfnd -Natl Polutn Des		537070 Interfnd Exp-Motor Service
778220 Interfnd -Office Expense		537080 Interfnd Exp-Miscellaneous
778230 Interfnd -Personnel Svcs		537090 Interfnd Exp-Personnel Svcs
778240 Interfnd -Plan Check		537100 Interfnd Exp-Plan & Engin Svcs
778250 Interfnd -Plan & Eng Svcs		537120 Interfnd Exp-Prof & Spec Svcs
778260 Interfnd -Property & Assmt		537140 Interfnd Exp-Right Of Way
778270 Interfnd -RDA		537160 Interfnd Exp-Road Maint Gradng
778280 Interfnd -Reimb For Service		537180 Interfnd Exp-Salary Reimb
778290 Interfnd -Right Of Way		537200 Interfnd Exp-Supportive Svcs
778300 Interfnd -Road District 4		537220 Interfnd Exp-Labor
778310 Interfnd -Road Priv & Permi		537240 Interfnd Exp-Utilities
778320 Interfnd -Road & Street Svc		537260 Interfnd Exp-GIS
778330 Interfnd -Salary Reimbursmt		537280 Interfnd Exp-Misc Project Exp
778340 Interfnd -Training		537300 Interfund Parking
778350 Interfnd -Utilities		537320 Interfnd Exp-Improvements Bldg
778360 Interfnd -Equipment Usage		
778370 Interfund -Project Costs		
778380 Interfund - Deposit Based Fees		
778411 Interfund - Admin Svcs Misc		513001 Interfund-Retirement Debt Svcs-Misc
778412 Interfund - Admin Svcs Safety		513041 Interfund-Retirement Debt Svcs-Misc
Intrafund Expenditures	=	Regular Expense
571000 Intra-Ag Extension		All Regular Expense Accounts (EXCEPT
571100 Intra-Building and Safety		Interfund Expenditure Accts.; Intrafund Accts.;
571200 Intra-Central Mail		Operating Transfer Out Accts.)
571300 Intra-Code Enforcement		
571400 Intra-Commn Services Misc		
571500 Intra-Courts		
571600 Intra-County Support Service		
571700 Intra-Custodial		
571800 Intra-Dental		
571900 Intra-District Attorney		
572000 Intra-DPSS		
572100 Intra-Equipment Rental		
572200 Intra-Grant		
572300 Intra-Health		
572400 Intra-Internal Charges		
572500 Intra-Leases		
572600 Intra-Maintenance		
572700 Intra-Meals		
572800 Intra-Miscellaneous		
572900 Intra-Personnel		
573000 Intra-Planning		
573100 Intra-Realignment		
573200 Intra-Right of Way Services		
573300 Intra-Securities		
573400 Intra-Salary and Benefit Reimb		
573500 Intra-Training		
573600 Intra-TCF		
573700 Intra-Trans Prisoner-Patient		
573800 Intra-Utilities		
573900 Intra-Payroll Distribution		
574000 Intra-In Direct Costs		
574100 Intra-Detention Hlth-Inmate		
574200 Intra-Zone-Spec Exp		

**Flow Chart for Recording Interfund/
Intrafund Services Provided and Used**

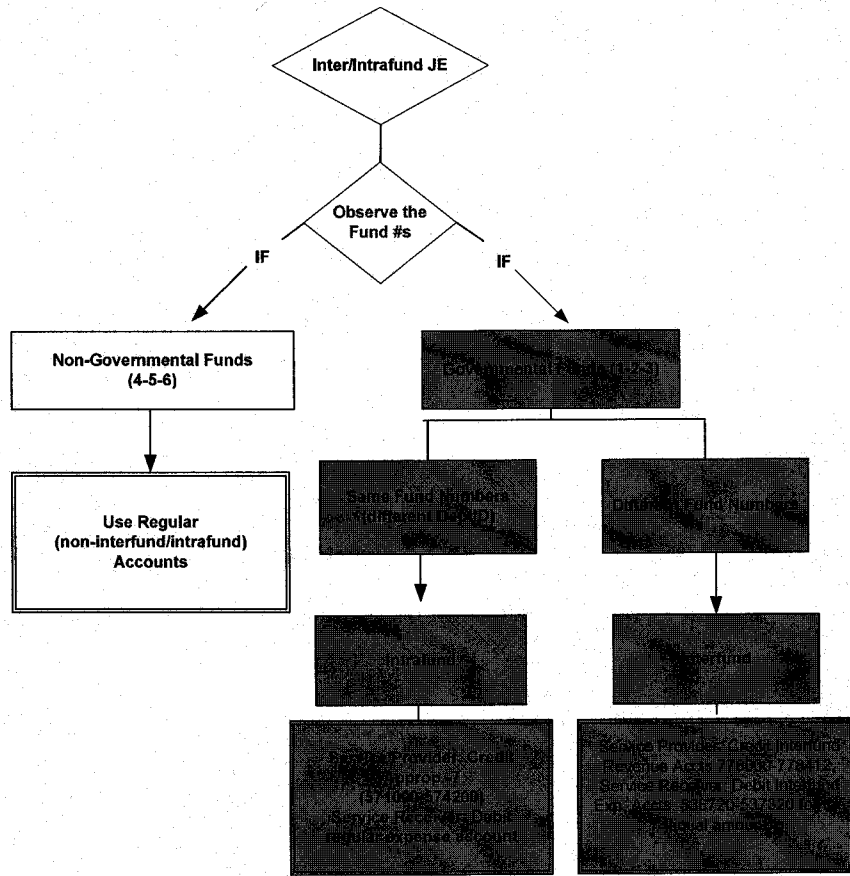


Illustration 2.0



May 21, 2014

Attn: Lani Sioson
County of Riverside
Executive Office
4080 Lemon Street, 4th Floor
Riverside, CA 92501

Re: \$74,275,000
County of Riverside
Certificates of Participation
2005 Series A (Capital Improvement and
Family Law Court Refunding Projects)
2005 Series B (Historic Courthouse Refunding)
Interim Arbitrage Rebate Analysis
Rebate Liability for the Period April 28, 2005 through April 28, 2014

Dear Lani:

For purposes of determining cumulative rebate liability under Internal Revenue Code Section 148(f) with respect to the above-captioned issue, we have analyzed the relevant documents and investment records. Our analysis indicates that, for the above-referenced period, the County's cumulative rebate liability is *negative* \$2,131,723.40. Please call me at (214) 989-2700 or Glenn Casterline at (213) 612-2229 with any questions you may have.

Thank you for this opportunity to be of service.

Sincerely,

Kelli Kubicki
Senior Consultant

cc: Danilo Garcia
Teresa Fructuoso
GRC

INDENTURE OF TRUST

Dated as of _____ 1, 2014

by and between the

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

and

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

Relating to

\$ _____

**Successor Agency to the
Redevelopment Agency For the County of Riverside
Redevelopment Project Area No. 1
2014 Tax Allocation Refunding Bonds, Series A**

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EXHIBIT A FORM OF 2014 SERIES A BOND

INDENTURE OF TRUST

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

WITNESSETH:

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

WHEREAS, a Redevelopment Plan for the Redevelopment Project Area No. 1 in the County of Riverside, California (the "Redevelopment Project") was adopted in compliance with all requirements of the Redevelopment Law; and

WHEREAS, to finance and refinance redevelopment activities with respect to the Redevelopment Project, the Former Agency borrowed money pursuant to a loan (the "1997 Loan") from the Riverside County Public Financing Authority (the "Authority") pursuant to a Loan Agreement in the original principal amount of \$2,135,000, dated as of September 1, 1997 with respect to Project Area No. 1, and being by and between the Former Agency, the Authority and U.S. Trust Company of California, as succeeded by The Bank of New York Trust Company, N.A. (the "1997 Loan Agreement"); and

WHEREAS, to finance activities with respect to the Redevelopment Project, the Former Agency issued pursuant to the Indenture of Trust, dated as of December 1, 2004, by and between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by The Bank of New York Mellon Trust Company, N.A. (the "2004 Indenture"), its Redevelopment Agency For the County of Riverside Redevelopment Project Area No. 1 2004 Tax Allocation Bonds, Series A, in the aggregate principal amount of \$24,865,000 (the "2004 Bonds"); and

WHEREAS, for the purpose of providing funds to refinance the 1997 Loan Agreement in full and to finance additional redevelopment activities with respect to the Redevelopment Project, the Former Agency issued its Redevelopment Agency For the County of Riverside Redevelopment Project Area No. 1 2005 Tax Allocation Bonds, Series A, in the aggregate principal amount of \$29,055,000 (the "2005 Bonds"); and

WHEREAS, for the purpose of providing funds to finance additional redevelopment activities with respect to the Redevelopment Project, the Former Agency issued its Redevelopment Agency For the County of Riverside Redevelopment Project Area No. 1 2006 Tax Allocation Bonds, Series A, in the aggregate principal amount of \$22,045,000 (the "2006 Bonds"); and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the Redevelopment Law, and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the 2004 Indenture and related documents to which the Former Agency was a party; and

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

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

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Redevelopment Law, the Dissolution Act and the Refunding Law of its \$_____ aggregate principal amount of Successor Agency to the Redevelopment Agency For the County of Riverside Redevelopment Project Area No. 1 2014 Tax Allocation Refunding Bonds, Series A (the "2014 Series A Bonds") in order to refund, on a current basis, the outstanding 2004 Bonds; and

WHEREAS, debt service on the 2014 Series A Bonds will be payable on a parity basis with the debt service on the 2005 Bonds and the 2006; and

WHEREAS, in order to provide for the authentication and delivery of the 2014 Series A Bonds, to establish and declare the terms and conditions upon which the 2014 Series A Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

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

NOW, THEREFORE, in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Outstanding Bonds under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual

covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

Definitions; Rules Of Construction

SECTION 1.01. Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2014 Series A Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the 2014 Series A Bonds in the manner and form provided in this Indenture.

SECTION 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

"Additional Revenues" means, as the date of calculation, the amount of Tax Revenues which, as shown in a report of an Independent Redevelopment Consultant, are estimated to be receivable by the Successor Agency within the Fiscal Year following the Fiscal Year in which such calculation is made as a result of increases in the assessed valuation of taxable property in the Project Area due to either (a) construction which has been completed and for which a certificate of occupancy has been issued by the County or other appropriate governmental entity but which is not then reflected on the tax rolls, or (b) transfer of ownership or any other interest in real property which has been recorded but which is not then reflected on the tax rolls. For purposes of this definition, the term "increases in the assessed valuation" means the amount by which the assessed valuation of taxable property in the Project Area is estimated to increase above the assessed valuation of taxable property in the Project Area (as evidenced in the written records of the County) as of the date on which such calculation is made.

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest payable on the Bonds (including any Parity Debt) in such Bond Year, and (b) the principal amount of the Outstanding Bonds (including any Parity Debt) scheduled to be paid in such Bond Year upon the maturity or mandatory sinking account redemption thereof. For purposes of such calculation, variable rate Parity Debt shall be deemed to bear interest at the maximum rate permitted by the Parity Debt Instrument pursuant to which such Parity Debt is issued. For purposes of such calculation, there shall be excluded debt service payments with respect to the Bonds or any Parity Debt (i) to the extent that amounts due with respect to the Bonds or such Parity Debt are prepaid or otherwise discharged in accordance with this Indenture or the relevant Parity Debt Instrument or (ii) to the extent the proceeds thereof are then deposited in an escrow fund in which amounts are invested in Permitted Investments and from which moneys may not be released to the Successor Agency unless the amount of Tax Revenues for the current Fiscal Year (as evidenced in the written records of the County) plus Additional Revenues at least meets the requirements of Section 3.05(b).

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

"Bond Year" means any twelve-month period beginning on October 2 in any year and extending to the next succeeding October 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on October 1, 2014.

"Bonds" means, collectively, the 2014 Series A Bonds and, if the context requires, the 2005 Bonds, the 2006 Bonds and any additional Parity Debt. Unless the context otherwise requires, the term "Bond" or "Bonds" shall refer to the Bonds issued under this Indenture.

"Business Day" means a day of the year (other than a Saturday or Sunday) on which banks in the State or the State of New York are not required or permitted to be closed, and on which the New York Stock Exchange is open.

"Certificate of the Successor Agency" means a certificate in writing signed by the [Executive Director, any Deputy Executive Director or the Fiscal Manager] of the Successor Agency, or any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose. [Confirm titles of officers]

"Closing Date" means the date on which the 2014 Series A Bonds are delivered by the Successor Agency to the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2014 Series A Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2014 Series A Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate, if any, executed by the Successor Agency, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the 2014 Series A Bonds, including but not limited to printing expenses, bond insurance premiums, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the 2014 Series A Bonds and any other cost, charge or fee in connection with the original issuance of the 2014 Series A Bonds.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.03 hereof.

"County" means the County of Riverside, a county duly organized and existing under the Constitution and laws of the State.

"Debt Service Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.03.

"Defeasance Obligations" means:

- (a) cash;
- (b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series);
- (c) Direct obligations of the Treasury that have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (d) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form;
- (e) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P, provided that, if the issue is rated only by S&P (i.e., there is no Moody's rating), then the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals; and
- (f) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Rural Economic Community Development Administration (formerly the Farmers Home Administration); (iii) obligations of the Federal Financing Bank; (iv) debentures of the Federal Housing Administration; (v) participation certificates of the General Services Administration; (vi) guaranteed Title XI financings of the U.S. Maritime Administration; (vii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.04.

"Depository System Participant" means any participant in the Depository's book-entry system.

"Dissolution Act" means the provisions of Assembly Bill X1 26, signed by the Governor June 28, 2011, and filed with the Secretary of State June 29, 2011, consisting of Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, as amended by Assembly Bill 1484, signed by the Governor on June 27, 2012, and filed with the Secretary of State on June 27, 2012.

"DOF" means the California Department of Finance.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Event of Default" means any of the events described in Section 8.01.

"Fair Market Value" means, with respect to any investment, the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length

transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any written directions of the Successor Agency.

"Federal Securities" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the Successor Agency as its official fiscal year period pursuant to a Certificate of the Successor Agency filed with the Trustee.

"Former Agency" means the Redevelopment Agency For the County of Riverside (also known as the Redevelopment Agency of the County of Riverside), a public body corporate and politic duly organized and formerly existing under the Law and dissolved in accordance with the Dissolution Act.

"Housing Bonds" means, collectively, the following: (i) the Former Agency's 2004 Tax Allocation Housing Bonds, Series A, (ii) the Former Agency's Redevelopment Agency for the County of Riverside 2004 Taxable Tax Allocation Housing Bonds, Series A-T, (iii) the Former Agency's 2005 Tax Allocation Housing Refunding Bonds, Series A, (iv) the Former Agency's 2010 Tax Allocation Housing Bonds, Series A, (v) the Former Agency's 2010 Tax Allocation Housing Bonds, Series A 2010 Taxable Tax Allocation Housing Bonds, Series A-T, (vi) the Former Agency's 2011 Tax Allocation Housing Bonds, Series A, and (vii) the Former Agency's 2011 Taxable Tax Allocation Housing Bonds, Series A-T, and (viii) any bonds issued to refund such bonds similarly secured by amounts which prior to the adoption of the Dissolution Act were required to be deposited into the Low and Moderate Income Housing Fund of the Former Agency pursuant to Sections 33334.2, 33334.3 and 33334.6 of the Law.

"Indenture" means this Indenture of Trust by and between the Successor Agency and the Trustee, as amended or supplemented from time to time pursuant to any Supplemental Indenture entered into pursuant to the provisions hereof.

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State,

appointed by or acceptable to the Successor Agency, and who, or each of whom: (a) is in fact independent and not under domination of the Successor Agency; (b) does not have any substantial interest, direct or indirect, with the Successor Agency; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Independent Fiscal Consultant" means any consultant or firm or firms of such consultants appointed by or acceptable to the Successor Agency and who, or each of whom: (a) is judged by the Successor Agency to have experience in matters relating to the financing of redevelopment projects; (b) is in fact independent and not under domination of the Successor Agency; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Independent Redevelopment Consultant" means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom:

(a) is judged by the Successor Agency to have experience in matters relating to the collection of Tax Revenues or otherwise with respect to the financing of redevelopment projects;

(b) is in fact independent and not under the domination of the Successor Agency;

(c) does not have any substantial interest, direct or indirect, with the Successor Agency, other than as original purchaser of the Bonds or any Parity Debt; and

(d) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Information Services" means, "EMMA" or the "Electronic Municipal Market Access" system of the Municipal Securities Rulemaking Board; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Request of the Successor Agency filed with the Trustee.

"Insurance Policy" means the municipal bond insurance policy issued by the Insurer insuring the payment when due of the principal of an interest on the 2014 Series A Bonds as provided therein.

"Insurer" means _____, as issuer of the Insurance Policy.

"Interest Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(a).

"Interest Payment Date" means each April 1 and October 1, commencing October 1, 2014, for so long as any of the 2014 Series A Bonds remain unpaid.

"Low and Moderate Income Housing Fund" means the fund of the Former Agency by that name established pursuant to Section 33334.3 of the Redevelopment Law.

"Maximum Annual Debt Service" means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year payable on the Bonds or any Parity Debt in such Bond Year. For purposes of such calculation, variable rate Parity Debt shall be deemed to bear interest at the maximum rate permitted by the Parity Debt Instrument pursuant to which such Parity Debt is issued. For purposes of such calculation, there shall be excluded debt service payments with respect to the Bonds or any Parity Debt (i) to the extent that amounts due with respect to the Bonds or such Parity Debt are prepaid or otherwise discharged in accordance with this Indenture or the relevant Parity Debt Instrument or (ii) to the extent the proceeds thereof are then deposited in an escrow fund in which amounts are invested in Permitted Investments and from which moneys may not be released to the Successor Agency unless the amount of Tax Revenues for the current Fiscal Year (as evidenced in the written records of the County) plus Additional Revenues at least meets the requirements of Section 3.05(b).

"Moody's" means Moody's Investors Service, Inc., its successors and assigns.

"Nominee" means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

"Office" means, with respect to the Trustee, the corporate trust office of the Trustee at [700 S. Flower Street, Suite 500, Los Angeles, California 90017], or at such other or additional offices as may be specified by the Trustee in writing to the Successor Agency, provided that for the purposes of maintenance of the Registration Books and presentation of Bonds for transfer, exchange or payment such term shall mean the office of the Trustee at which it conducts its corporate agency business. [Trustee to confirm address]

"Original Purchaser" means, _____, as the original purchaser of the 2014 Series A Bonds.

"Outstanding", when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

"Oversight Board" means the oversight board duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

"Owner" means, with respect to any Bond issued hereunder, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

"Parity Debt" means the 2005 Bonds and the 2006 Bonds, and any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency on a parity with the 2014 Series A Bonds, the 2005 Bonds and the 2006 Bonds pursuant to Section 3.05.

"Parity Debt Instrument" means the 2005 Indenture, the 2006 Indenture and any resolution, indenture of trust, trust agreement or other instrument authorizing the issuance of

any Parity Debt and which otherwise complies with all of the terms and conditions of this Indenture, including, without limitation, the provisions of Section 3.05.

"Parity Debt Special Funds" means, collectively, (i) the special fund established by Section 4.02 of the 2005 Indenture known as the "2005 Redevelopment Project Area No. 1 Special Fund", which is held by the Successor Agency and which is herein referred to as the "2005 Special Fund," (ii) the special fund established by Section 4.02 of the 2006 Indenture known as the "2006 Redevelopment Project Area No. 1 Special Fund", which is held by the Successor Agency and which is herein referred to as the "2006 Special Fund," and (iii) any other special fund with respect to any Parity Debt established by any Supplemental Indenture.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State and constitute Permitted Investments), but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) certificates of beneficial ownership of the Farmers Home Administration; (ii) Federal Housing Administration debentures; (iii) participation certificates of the General Services Administration; (iv) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of the Government National Mortgage Association; (v) guaranteed Title XI financings of the U.S. Maritime Administration; and (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities only as stripped by the Successor Agency itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of the Fannie Mae; (iv) obligations of the Resolution Funding Corporation; and (v) consolidated system-wide bonds and notes of the Farm Credit System.

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AA-Am-G, AA-Am or AA-Am, and a rating by Moody's of Aaa, Aa1 or Aa2 (such funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services).

(e) Certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral described in (a) or (b) above, which have a maturity not greater than one year from the date of investment and which are issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated "A-1+" or better by S&P and "Prime-1" by Moody's, which collateral must be held by a third party and provided that the Trustee must have a perfected first security interest in such collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates) which are fully insured by FDIC, including BIF and SAIF.

(g) Investment and repurchase agreements with (or guaranteed by) financial institutions rated "Aa3" by Moody's and "AA-" by S&P.

(h) Commercial paper rated at the time of purchase "Prime-1" by Moody's and "A-1+" or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the three highest rating categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's, and "A-1+" by S&P.

(k) The Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

(l) the County's investment pool.

"Plan Limitations" means the limitations contained or incorporated in the Redevelopment Plan on (a) the aggregate principal amount of indebtedness payable from Tax Revenues which may be outstanding at any time and (b) the aggregate amount of taxes which may be divided and allocated to the Successor Agency pursuant to the Redevelopment Plan.

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

"Pro Rata Share of Housing Debt Service" means an amount equal to the percentage of debt service on Housing Bonds in the then current Bond Year, calculated by dividing the gross amount of taxes collected by the County for the Successor Agency pursuant to Section 34183 of the Dissolution Act and the Redevelopment Plan with respect to the Project Area in the last completed Fiscal Year by the sum of (i) the gross amount of taxes collected by the County for the Successor Agency pursuant to Section 34183 of the Dissolution Act and the Redevelopment Plan with respect to the Project Area in the last completed Fiscal Year, plus (ii) the gross amount of taxes collected by the County for the Successor Agency pursuant to Section 34183 of the Dissolution Act and the redevelopment plans for all of the other project areas of the Former Agency, which project areas include Project Area No. 1, the Jurupa Valley

Redevelopment Project Area, the Mid-County Redevelopment Project Area, and the Interstate 215 Corridor Redevelopment Project Area, in the last completed Fiscal Year. For the purpose of this calculation, the gross amount of taxes collected refers to taxes deposited by the County into the Redevelopment Property Tax Trust Fund prior to deducting pass through payment obligations or administrative fees charged by the County or the State of California.

"Project Area" means the project area described in the Redevelopment Plan.

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

"Recognized Obligation Payment Schedule" means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (l) of Section 34177 of the California Health and Safety Code.

"Record Date" means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

"Redemption Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(e).

"Redevelopment Law" or **"Law"** means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto.

"Redevelopment Plan" means the Redevelopment Plan for Project Area No. 1 approved by Ordinance No. 635 of the Board adopted December 23, 1986, as heretofore amended by Ordinance No. 750 of the Board adopted November 29, 1994, Ordinance No. 793 of the Board adopted July 20, 1999, Ordinance No. 800 of the Board adopted December 14, 1999, by Ordinance No. 835 of the Board adopted November 30, 2004, together with any further amendments thereof at any time duly authorized pursuant to the Redevelopment Law.

"Redevelopment Project" means the undertaking of the Former Agency to redevelop the Project Area in accordance with the Redevelopment Plan.

"Redevelopment Property Tax Trust Fund" or "RPTTF" means the fund by that name established pursuant to California Health and Safety Code Sections 34170.5(a) and 34172(c) and administered by the County auditor-controller.

"Refunding Fund" means the 2014 Series A Refunding Fund established and held by the Trustee pursuant to Section 3.04.

"Refunding Law" means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the 2014 Series A Bonds.

"Request of the Successor Agency" means a request in writing signed by the [Executive Director, any Deputy Executive Director or the Fiscal Manager] of the Successor Agency, or any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose. [Confirm titles of officers]

"Reserve Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(d) of this Indenture.

"Reserve Requirement" means, with respect to the 2014 Series A Bonds or any Parity Debt (including the 2005 Bonds and the 2006 Bonds), as of any calculation date, the least of (i) ten percent (10%) of the original principal amount of the 2014 Series A Bonds or Parity Debt, as applicable, provided that if the original issue discount of the 2014 Series A Bonds or Parity Debt exceeds 2% of such original principal amount, then initially ten percent (10%) of the original principal amount of, less original issue discount on, the 2014 Series A Bonds or Parity Debt, but excluding from such calculation any proceeds of Parity Debt deposited in an escrow described in the definitions of Annual Debt Service and Maximum Annual Debt Service, (ii) Maximum Annual Debt Service with respect to the 2014 Series A Bonds or Parity Debt, as applicable, or (iii) 125% of average Annual Debt Service on the 2014 Series A Bonds or Parity Debt, as applicable; provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.03(d) hereof. For purposes of calculating Maximum Annual Debt Service with respect to determining the Reserve Requirement, variable rate Parity Debt shall be deemed to bear interest at the maximum rate permitted by the Parity Debt Instrument. The calculation of the Reserve Requirement may, at the option of the Successor Agency, be made with respect to the 2014 Series A Bonds and all Parity Debt, including the 2005 Bonds and the 2006 Bonds, on a combined basis, as provided in Section 4.03(d), provided that the Trustee shall establish separate subaccounts for the proceeds of the 2014 Series A Bonds, the 2005 Bonds and the 2006 Bonds to enable the Trustee to track the investment of the proceeds of the Series A Bonds, the 2005 Bonds and the 2006 Bonds.

In the event proceeds of the Bonds or Parity Debt are deposited in an escrow described in the definitions of Annual Debt Service and Maximum Annual Debt Service, each such time that moneys are released from such escrow, other than to prepay a portion of the Bonds or Parity Debt, an amount of such released moneys shall be deposited in the applicable Reserve Account as is necessary to ensure that the amount on deposit therein at least equals the Reserve Requirement for the Bonds or Parity Debt after such release.

"Retirement Fund" means the Redevelopment Obligation Retirement Fund established and held by the Successor Agency pursuant to Section 34170.5(a) of the California Health and Safety Code.

"S&P" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc., its successors and assigns.

"Securities Depositories" means The Depository Trust Company and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Request of the Successor Agency delivered to the Trustee.

"Sinking Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(c).

"Special Fund" means the fund by that name established and held by the Agency pursuant to Section 4.02 of this Indenture.

"State" means the State of California.

"Subordinate Debt" means, collectively, any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency in accordance with the requirements of Section 3.06, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds.

"Successor Agency" means the Successor Agency to the Redevelopment Agency for the County of Riverside, a public entity duly created and existing under the laws of the State of California, as successor to the Former Agency.

"Supplemental Indenture" means any indenture, agreement or other instrument which amends, supplements or modifies this Indenture and which has been duly entered into by and between the Successor Agency and the Trustee; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Surety Bond" means the _____ relating to the 2014 Series A Bonds.

"Tax Revenues" means all taxes annually allocated within the Plan Limitations and paid to the Successor Agency with respect to the Project Area following the Closing Date, pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State and other applicable State laws and as provided in the Redevelopment Plan, including all payments, subventions and reimbursements (if any) to the Successor Agency specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations (but excluding payments to the Successor Agency with respect to personal property within the Project Area pursuant to Section 16110 *et seq.* as of the California Government Code); and including that portion of such taxes (if any) otherwise required by Section 33334.2 of the Law to be deposited in the Low and Moderate Income Housing Fund, but only to the extent necessary to repay that portion of the proceeds of the Bonds and any Parity Debt (including applicable reserves and financing costs) used to finance or refinance the increasing or improving of the supply of low and moderate income housing within or of benefit to

the Project Area, but excluding all other amounts of such taxes required to be deposited into the Low and Moderate Income Housing Fund and excluding investment earnings. Pursuant to the Dissolution Act, a portion of such taxes are no longer required to be deposited into the Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3 and 33334.6 of the Law (the "Prior Housing Deposit"), and, accordingly, such taxes shall exclude only the amount of the Prior Housing Deposit required to pay the Pro Rata Share of Housing Debt Service. Tax Revenues shall not include amounts payable by the Successor Agency under agreements entered into pursuant to Section 33401 of the Law, and amounts payable by the Successor Agency pursuant to Sections 33607.5 and 33607.7 of the Law (except and to the extent that any amounts so payable are payable on a basis subordinate to the payment of the Bonds, including any Parity Debt).

"Term Bonds" means, collectively, (a) the 2014 Series A Term Bonds, and (b) any maturity of Parity Debt which is subject to mandatory Sinking Account redemption pursuant to the Supplemental Indenture authorizing the issuance thereof.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee hereunder, or any successor thereto appointed as Trustee hereunder in accordance with the provisions of Article VI.

"2004 Bonds" means the Former Agency's \$24,865,000 aggregate principal amount of Redevelopment Agency For the County of Riverside Redevelopment Project Area No. 1 2004 Tax Allocation Bonds, Series A.

"2004 Bonds Refunding Instructions" means those Irrevocable Refunding Instructions dated the date of issuance and delivery of the 2014 Series A Bonds relating to the defeasance and refunding of the 2004 Bonds, executed by the Successor Agency and delivered to The Bank of New York Mellon Trust Company, N.A., as trustee of the 2004 Bonds.

"2004 Indenture" means the Indenture of Trust dated as of December 1, 2004, between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by The Bank of New York Mellon Trust Company, N.A., as amended, supplemented or modified from time to time pursuant to an indenture, agreement or other instrument entered in to pursuant to the provisions thereof.

"2005 Bonds" means the Former Agency's \$29,055,000 aggregate principal amount of Redevelopment Agency For the County of Riverside Redevelopment Project Area No. 1 2005 Tax Allocation Bonds, Series A.

"2005 Indenture" means the Indenture of Trust dated as of September 1, 2005, between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded by The Bank of New York Mellon Trust Company, N.A., as amended, supplemented or modified from time to time pursuant to an indenture, agreement or other instrument entered in to pursuant to the provisions thereof.

"2006 Bonds" means the Former Agency's \$22,045,000 aggregate principal amount of Redevelopment Agency For the County of Riverside Redevelopment Project Area No. 1 2006 Tax Allocation Bonds, Series A.

"2006 Indenture" means the Indenture of Trust dated as of October 1, 2006, between the Former Agency and The Bank of New York Trust Company, N.A., as trustee, as succeeded

by The Bank of New York Mellon Trust Company, N.A., as amended, supplemented or modified from time to time pursuant to an indenture, agreement or other instrument entered in to pursuant to the provisions thereof.

"2014 Series A Subaccount of the Reserve Account" means the subaccount by that name established and held by the Trustee pursuant to Section 4.03(d) hereof.

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

SECTION 1.03. Rules of Construction. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

Authorization and Terms of 2014 Series A Bonds

SECTION 2.01. Authorization and Purpose of 2014 Series A Bonds. The 2014 Series A Bonds in the aggregate principal amount of _____ Dollars (\$_____) are hereby authorized to be issued by the Successor Agency under the Refunding Law, the Dissolution Act and the Redevelopment Law for the purpose of providing funds to refund the 2004 Bonds. The 2014 Series A Bonds shall be authorized and issued under, and shall be subject to the terms of, this Indenture, the Refunding Law, the Dissolution Act and the Redevelopment Law. The 2014 Series A Bonds shall be designated the "Successor Agency to the Redevelopment Agency For the County of Riverside Redevelopment Project Area No. 1 2014 Tax Allocation Refunding Bonds, Series A".

SECTION 2.02. Terms of the 2014 Series A Bonds. The 2014 Series A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no 2014 Series A Bond shall have more than one maturity date. The 2014 Series A Bonds shall be dated the Closing Date, shall mature on October 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360 day year comprised of twelve 30-day months) at the rates, as follows:

2014 Series A Bonds

<u>Maturity Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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Interest on the 2014 Series A Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books as of the preceding Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any Owner of 2014 Series A Bonds in the aggregate amount of \$1,000,000 or more who shall furnish written instructions to the Trustee before the applicable Record Date. Any such written instructions shall remain in effect until rescinded in writing by the Owner. Principal of and premium (if any) on any 2014 Series A Bond

shall be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Office of the Trustee and shall be payable in lawful money of the United States of America.

Each 2014 Series A Bond shall be dated as of the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before September 15, 2014, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

SECTION 2.03. Redemption of 2014 Series A Bonds.

(a) Optional Redemption. The 2014 Series A Bonds maturing on or before October 1, 20___, are not subject to optional redemption prior to maturity. The 2014 Series A Bonds maturing on and after October 1, 20___, are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 20___, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the 2014 Series A Bonds to be redeemed), together with accrued interest thereon to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2014 Series A Bonds under this Section 2.03(a) at least 45 days prior to the date to be fixed for redemption or such later date as shall be permitted by the Trustee and the Successor Agency shall deposit or cause to be deposited all amounts required for any redemption pursuant to this Section 2.03(a) at least one Business Day prior to the date fixed for such redemption.

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

2014 Series A Term Bonds Maturing October 1, 20__

Sinking Account
Redemption Date
(October 1)

Principal Amount
To Be Redeemed

2014 Series A Term Bonds Maturing October 1, 20__

Sinking Account
Redemption Date
(October 1)

Principal Amount
To Be Redeemed

2014 Series A Term Bonds Maturing October 1, 20__

Sinking Account
Redemption Date
(October 1)

Principal Amount
To Be Redeemed

In lieu of redemption of the 2014 Series A Bonds pursuant to the preceding paragraph, amounts on deposit in the Special Fund (to the extent not required to be transferred by the Trustee pursuant to Section 4.03 during the current Bond Year) may also be used and withdrawn at the direction of the Successor Agency at any time for the purchase of such 2014 Series A Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such 2014 Series A Bonds so purchased by the Successor Agency in any twelve-month period ending on August 1 in any year shall be credited towards and shall reduce the par amount of such 2014 Series A Bonds required to be redeemed pursuant to this subsection (b) on the next succeeding October 1.

(c) Notice of Redemption, Rescission. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption, at least thirty (30) but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any 2014 Series A Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to one or more Information Services designated in a Request of the Successor Agency delivered to the Trustee (by any means acceptable to such depositories and services in substitution of first class mail); *provided, however,* that such mailing shall not be a condition precedent to such redemption and

neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such 2014 Series A Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall, if applicable, designate the CUSIP number of the 2014 Series A Bonds to be redeemed, shall state the individual number of each 2014 Series A Bond to be redeemed or state that all 2014 Series A Bonds between two stated numbers (both inclusive) or shall state that all of the 2014 Series A Bonds Outstanding of one or more maturities are to be redeemed, and shall require that such 2014 Series A Bonds be then surrendered at the Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on the 2014 Series A Bonds to be redeemed will not accrue from and after the date fixed for redemption.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2014 Series A Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Upon the payment of the redemption price of 2014 Series A Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the 2014 Series A Bonds being redeemed with the proceeds of such check or other transfer.

(d) Partial Redemption of 2014 Series A Bonds. In the event only a portion of any 2014 Series A Bond is called for redemption, then upon surrender thereof the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new 2014 Series A Bond or 2014 Series A Bonds of the same interest rate and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2014 Series A Bond or 2014 Series A Bonds to be redeemed.

(e) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the 2014 Series A Bonds so called for redemption shall have been duly deposited with the Trustee, such 2014 Series A Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(f) Manner of Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the 2014 Series A Bonds of a maturity, the Trustee shall select the 2014 Series A Bonds of such maturity to be redeemed by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all 2014 Series A Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate 2014 Series A Bonds which may be separately redeemed.

SECTION 2.04. Form of 2014 Series A Bonds. The 2014 Series A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

SECTION 2.05. Execution, Authentication and Delivery of 2014 Series A Bonds. The 2014 Series A Bonds shall be executed on behalf of the Successor Agency by the signature of its [Chairman, Executive Director, Deputy Executive Director or Finance Manager] and the signature of its Secretary who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any 2014 Series A Bond ceases to be such officer before the Closing Date, such signature shall nevertheless be as effective as if the officer had remained in office until the Closing Date. Any 2014 Series A Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such 2014 Series A Bond shall be the proper officers of the Successor Agency, duly authorized to execute debt instruments on behalf of the Successor Agency, although on the date of such 2014 Series A Bond any such person shall not have been such officer of the Successor Agency. [Confirm titles]

Only such of the 2014 Series A Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit A, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that such 2014 Series A Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary 2014 Series A Bonds are issued pursuant to Section 2.09 hereof, the temporary 2014 Series A Bonds may bear thereon a Certificate of Authentication executed and dated by the Trustee, may be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary 2014 Series A Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive 2014 Series A Bonds authenticated and delivered hereunder.

SECTION 2.06. Transfer of 2014 Series A Bonds. Any 2014 Series A Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2014 Series A Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee. Transfer of any 2014 Series A Bond shall not be permitted by the Trustee during the fifteen (15) day period preceding the selection of 2014 Series A Bonds for redemption or if such 2014 Series A Bond has been selected for redemption pursuant to Article IV. Whenever any 2014 Series A Bond or 2014 Series A Bonds shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and shall deliver a new 2014 Series A Bond or 2014 Series A Bonds for a like aggregate principal amount and of like maturity. The Trustee may require the 2014 Series A Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing 2014 Series A Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

SECTION 2.07. Exchange of 2014 Series A Bonds. Any 2014 Series A Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of 2014 Series A Bonds of other authorized denominations and of like maturity. Exchange of any 2014 Series A

Bond shall not be permitted during the fifteen (15) day period preceding the selection of 2014 Series A Bonds for redemption or if such 2014 Series A Bond has been selected for redemption pursuant to Article IV. The Trustee may require the 2014 Series A Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing 2014 Series A Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

SECTION 2.08. Registration Books. The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the 2014 Series A Bonds, which shall at all times during normal business hours, and upon reasonable notice, be open to inspection by the Successor Agency; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, 2014 Series A Bonds as hereinbefore provided.

SECTION 2.09. Temporary Bonds. The 2014 Series A Bonds may be initially issued in temporary form exchangeable for definitive 2014 Series A Bonds when ready for delivery. The temporary 2014 Series A Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary 2014 Series A Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive 2014 Series A Bonds. If the Successor Agency issues temporary 2014 Series A Bonds it will execute and furnish definitive 2014 Series A Bonds without delay, and thereupon the temporary 2014 Series A Bonds shall be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall deliver in exchange for such temporary 2014 Series A Bonds an equal aggregate principal amount of definitive 2014 Series A Bonds of authorized denominations. Until so exchanged, the temporary 2014 Series A Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive 2014 Series A Bonds authenticated and delivered hereunder.

SECTION 2.10. 2014 Series A Bonds Mutilated, Lost, Destroyed or Stolen. If any 2014 Series A Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such 2014 Series A Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new 2014 Series A Bond of like tenor and series in exchange and substitution for the 2014 Series A Bond so mutilated, but only upon surrender to the Trustee of the 2014 Series A Bond so mutilated. Every mutilated 2014 Series A Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Successor Agency. If any 2014 Series A Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory and indemnity satisfactory to the Trustee shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new 2014 Series A Bond of like tenor and series in lieu of and in substitution for the 2014 Series A Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new 2014 Series A Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any 2014 Series A Bond issued under the provisions of this Section in lieu of any 2014 Series A Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the 2014 Series A Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other 2014 Series A Bonds issued pursuant to this Indenture.

Notwithstanding any other provision of this Section 2.10, in lieu of delivering a new Bond for which principal has become due for a Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

SECTION 2.11. Book Entry Form. (a) Original Delivery to DTC. The 2014 Series A Bonds shall be initially delivered to DTC in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the 2014 Series A Bonds. Upon initial delivery, the ownership of each such 2014 Series A Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding 2014 Series A Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to 2014 Series A Bonds the ownership of which shall be registered in the name of the Nominee, the Successor Agency and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Successor Agency holds an interest in the 2014 Series A Bonds. Without limiting the generality of the immediately preceding sentence, the Successor Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the 2014 Series A Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a 2014 Series A Bond Owner as shown in the Registration Books, of any notice with respect to the 2014 Series A Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the 2014 Series A Bonds to be redeemed in the event the Successor Agency elects to redeem the 2014 Series A Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a 2014 Series A Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the 2014 Series A Bonds or (v) any consent given or other action taken by the Depository as Owner of the 2014 Series A Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each 2014 Series A Bond is registered as the absolute owner of such 2014 Series A Bond for the purpose of payment of principal of and premium, if any, and interest on such 2014 Series A Bond, for the purpose of giving notices of redemption and other matters with respect to such 2014 Series A Bond, for the purpose of registering transfers of ownership of such 2014 Series A Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the 2014 Series A Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the 2014 Series A Bonds to the extent of the sum or sums so paid. No person other than a 2014 Series A Bond Owner shall receive a 2014 Series A Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the 2014 Series A Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the 2014

Series A Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the 2014 Series A Bonds other than the 2014 Series A Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the 2014 Series A Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement 2014 Series A Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the 2014 Series A Bonds, and by surrendering the 2014 Series A Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement 2014 Series A Bonds are to be issued. The Depository, by accepting delivery of the 2014 Series A Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the 2014 Series A Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging 2014 Series A Bonds shall designate, in accordance with the provisions hereof.

In the event the Successor Agency determines that it is in the best interests of the beneficial owners of the 2014 Series A Bonds that they be able to obtain certificated 2014 Series A Bonds, the Successor Agency may notify the Depository System Participants of the availability of such certificated 2014 Series A Bonds through the Depository. In such event, the Trustee will issue, transfer and exchange 2014 Series A Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Successor Agency shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the 2014 Series A Bonds to any Depository System Participant having 2014 Series A Bonds credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such 2014 Series A Bonds, all at the Successor Agency's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any 2014 Series A Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such 2014 Series A Bond and all notices with respect to such 2014 Series A Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF 2014 SERIES A BONDS ISSUANCE OF PARITY DEBT

SECTION 3.01. Issuance of 2014 Series A Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver 2014 Series A Bonds in the aggregate principal amount of \$_____ to the Trustee and the Trustee shall authenticate and deliver the 2014 Series A Bonds to the Original Purchaser upon receipt of a Request of the Successor Agency therefor.

SECTION 3.02. Deposit and Application of Proceeds. On the Closing Date, the proceeds of the 2014 Series A Bonds received from the Original Purchaser in the amount of \$_____ (being the initial aggregate principal amount of the 2014 Series A Bonds (\$_____), (i) less the underwriter's discount of the Original Purchaser in the amount of \$_____, (ii) less net original issue discount on 2014 Series A Bonds in the amount of \$_____, (iii) less the premium of the Insurance Policy in the amount of \$_____, and (iv) less the premium on the Surety Bond in the amount of \$_____.

The proceeds of the 2014 Series A Bonds (being \$_____) shall be deposited in as follows:

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

(b) The Trustee shall credit the Surety Bond to the 2014 Series A Subaccount of the Reserve Account created as set forth in Section 4.03, in order to satisfy the Reserve Requirement with respect to the 2014 Series A Bonds; and

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

SECTION 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund", which shall be held by the Trustee in trust, and into which shall be deposited or credited the amounts provided for in Section 3.02(a). The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six (6) months following the Closing Date, or upon the earlier Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be transferred by the Trustee for deposit in the Debt Service Fund.

SECTION 3.04. Refunding Fund. There is hereby created the 2014 Series A Refunding Fund (the "Refunding Fund") held by the Trustee in trust for the benefit of the Successor Agency. The moneys in the Refunding Fund shall be maintained separate and apart from other moneys of the Successor Agency.

The Trustee shall transfer all moneys on deposit in the Refunding Fund to The Bank of New York Mellon Trust Company, N.A., as trustee of the 2004 Bonds, for deposit and

application under and pursuant to the 2004 Bonds Refunding Instructions. Upon making such transfer, the Refunding Fund shall be closed.

SECTION 3.05. Issuance of Parity Debt. In addition to the 2014 Series A Bonds, the 2005 Bonds and the 2006 Bonds, the Successor Agency may issue or incur additional Parity Debt in such principal amount as shall be determined by the Successor Agency. The Successor Agency may issue and deliver any Parity Debt subject to the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Parity Debt issued under this Section:

(a) No Event of Default shall have occurred and be continuing, and the Successor Agency shall otherwise be in compliance with all covenants set forth in this Indenture.

(b) The Tax Revenues for each succeeding Fiscal Year based on the most recent assessed valuation of property in the Project Area as evidenced in written documentation from an appropriate official of the County or a written report of an Independent Redevelopment Consultant plus any Additional Revenues shall be at least equal to [one hundred twenty-five percent (125%)] of Annual Debt Service on the 2014 Series A Bonds and Parity Debt which will be outstanding immediately following the issuance of such Parity Debt for each applicable succeeding Bond Year.

(c) The Successor Agency shall deliver to the Trustee a Certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth subsections (a) and (b) above have been satisfied.

(d) The Successor Agency shall fund a reserve account relating to such Parity Debt in an amount equal to the Reserve Requirement.

SECTION 3.06. Issuance of Subordinate Debt. The Successor Agency may issue or incur Subordinate Debt in such principal amount as shall be determined by the Successor Agency. The Successor Agency may issue or incur such Subordinate Debt subject to the following specific conditions precedent:

(a) The Successor Agency shall be in compliance with all covenants set forth in this Indenture and all Parity Debt Instruments;

(b) If, and to the extent, such Subordinate Debt is payable from Tax Revenues within the Plan Limitations on the amount of Tax Revenues, then all Outstanding Bonds, Parity Debt and Subordinate Debt coming due and payable following the issuance or incurrence of such Subordinate Debt shall not exceed the maximum amount of Tax Revenues permitted within the Plan Limitations.

(c) The Successor Agency shall deliver to the Trustee a Certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Subordinate Debt set forth in this Section 3.06 have been satisfied.

SECTION 3.07. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the Redevelopment Project or upon the performance by any person of its obligation with respect to the Redevelopment Project.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS INVESTMENTS

SECTION 4.01. Pledge of Tax Revenues. The 2014 Series A Bonds, the 2005 Bonds and the 2006 Bonds and all other Parity Debt, shall be secured by a pledge of, security interest in and lien on all of the Tax Revenues and all of the moneys on deposit in the Special Fund. In addition, the 2014 Series A Bonds, the 2005 Bonds and the 2006 Bonds and any other Parity Debt, shall, subject to Section 8.02, be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Redemption Account and the Reserve Account. Such pledge, security interest in and lien shall be for the equal security of the Outstanding Bonds without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The 2014 Series A Bonds shall be also equally secured by the pledge and lien created with respect to the 2014 Series A Bonds by Section 34177.5(g) of the California Health and Safety Code on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, no funds of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the 2014 Series A Bonds.

In consideration of the acceptance of the 2014 Series A Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the 2014 Series A Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the 2014 Series A Bonds without preference, priority or distinction as to security or otherwise of any of the 2014 Series A Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

SECTION 4.02. Special Fund; Deposit of Tax Revenues. There is hereby established a special fund known as the "2014 Redevelopment Project Area No. 1 Special Fund", which is held by the Successor Agency and which is herein referred to as the "Special Fund". The Successor Agency shall transfer all of the Tax Revenues received in any Bond Year ratably to the Parity Debt Special Funds and to the Special Fund promptly upon receipt thereof by the Successor Agency, until such time during such Bond Year as the amounts (i) on deposit in the Special Fund equal the aggregate amounts required to be transferred in such Bond Year into the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account in such Bond Year pursuant to Section 4.03 hereof, and (ii) on deposit in the Parity Debt Special Funds equal the aggregate amounts required to be transferred in such Bond Year pursuant to the applicable Parity Debt Instrument. If the amount of Tax Revenues available in any Bond Year shall be insufficient to deposit the full amount required to be deposited pursuant to subsections (i) and (ii), of this paragraph, then the Successor Agency shall transfer such Tax Revenues for deposit ratably based on the full amounts required to be so deposited.

All Tax Revenues received by the Successor Agency during any Bond Year in excess of the amount required to be deposited as described in the preceding paragraph shall be released from the pledge, security interest and lien under the Indenture for the security of the 2014 Series A Bonds and any additional Parity Debt and may be applied by the Successor Agency for any

lawful purpose of the Successor Agency, including but not limited to the payment of Subordinate Debt, or the payment of any rebate amounts due and owing to the United States of America. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the 2014 Series A Bonds and the payment in full of all other amounts payable under this Indenture, and under any Parity Debt Instrument, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Debt Service Fund, except as may be provided in this Indenture and in any Parity Debt Instrument.

The Successor Agency acknowledges that, due to the passage of Dissolution Act, it will need to take certain actions to ensure that it collects sufficient Tax Revenues to make the deposits as and when required to be made into the Special Fund pursuant to this Section 4.02, and in order to insure the payment of debt service on the Bonds, including the 2014 Series A Bonds, on a timely basis. The Successor Agency covenants that it will take all such actions as required to make the deposits as and when required to be made into the Special Fund pursuant to this Section 4.02, and to make the timely payment of debt service on the Bonds. The Successor Agency further acknowledges that the provisions of the Dissolution Act require that it establish the Retirement Fund, into which all Tax Revenues are required to be deposited. The Successor Agency has heretofore established the Retirement Fund as required by Section 34170.5(a) of the California Health and Safety Code, and covenants that it shall continue to hold and maintain the Retirement Fund so long as any of the Bonds are Outstanding. The Successor Agency hereby agrees that it will hold the Special Fund and the Parity Debt Special Funds as accounts within Retirement Fund and will continue to deposit all Tax Revenues, as and when received, into such funds in order to ensure that all Tax Revenues are available for the payment of debt service on the Bonds on a timely basis.

SECTION 4.03. Debt Service Fund; Transfer of Amounts to Trustee. There is hereby established a special trust fund to be known as the "Debt Service Fund", which shall be held by the Trustee hereunder in trust. Moneys in the Special Fund shall be transferred by the Successor Agency to the Trustee and transferred by the Trustee in the following amounts, at the following times, and into the following respective special accounts within the Debt Service Fund, which accounts are hereby established, or continued, as applicable, with the Trustee to pay debt service on the 2014 Series A Bonds and any Parity Debt not otherwise provided for in a Parity Debt Instrument, in the following order of priority:

(a) Interest Account. On or before the fourth (4th) Business Day preceding each date on which interest on the 2014 Series A Bonds becomes due and payable, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee for deposit in the Interest Account an amount which, when added to the amount then on deposit in the Interest Account, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding 2014 Series A Bonds on such date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the Interest Payment Date upon all of the Outstanding 2014 Series A Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the 2014 Series A Bonds as it shall become due and payable (including accrued interest on any 2014 Series A Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. On or before the fourth (4th) Business Day preceding each date on which principal of the 2014 Series A Bonds becomes