

terminate and neither the Authority nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Authority and the Underwriter set forth in Section 4 hereof shall continue in full force and effect.

4. Conditions to the Obligations of the Authority.

A. The obligation of the Authority to accept delivery of and pay for the Local Obligations on the Closing Date shall be subject, at the option of the Authority, to the sale of the Bonds, to the accuracy in all material respects of the representations and warranties on the part of the Agency contained in the Local Obligations Purchase Contract, to the accuracy in all material respects of the statements of the officers and other officials of the Agency made in any certificates or other documents furnished pursuant to the provisions hereof and to the performance by the Agency of its obligations to be performed under the Local Obligation Purchase Contract and the conditions precedent to be performed by the Agency pursuant thereto at or prior to the Closing Date. The obligations of the Authority shall be further subject to the satisfaction of the conditions contained in Section 3 of this Purchase Agreement.

B. If the Agency or the Authority shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the Local Obligations contained in the Local Obligation Purchase Contract, or if the obligations of the Authority to purchase, accept delivery of and pay for the Local Obligations shall be terminated for any reason permitted thereby, this Purchase Agreement shall terminate and neither the Authority nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of Agencies and the Authority set forth in Section 5 hereof shall continue in full force and effect.

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

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

6. Notices. Any notice or other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing to the Riverside County Public Financing Authority c/o County of Riverside, P.O. Box 1180, Riverside, California 92502, Attention: Executive Director; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Citigroup Global Markets Inc., 444 S. Flower Street, 27th Floor, Los Angeles, California 90071, Attention: Victor Andrade.

7. Parties In Interest. This Purchase Agreement is made solely for the benefit of the Authority and the Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

8. Survival of Representations and Warranties. The representations and warranties of the Authority under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Authority and regardless of delivery of and payment for the Bonds.

9. Execution in Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

10. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

11. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding among the parties hereto in relation to the sale of the Bonds by the Authority.

12. Governing Law. This Purchase Agreement shall be governed by the laws of the State of California.

13. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

CITIGROUP GLOBAL MARKETS, INC.,

By: _____
Its: Authorized Officer

RIVERSIDE COUNTY PUBLIC
FINANCING AUTHORITY

By: _____

Its: _____

EXHIBIT A

Schedule of Bond Maturities, Principal Amounts and Interest Rates

\$ _____
**RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY
2015 TAX ALLOCATION REVENUE BONDS
(CORONA REFUNDING PROJECT)**

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>
--	-------------------------	----------------------	--------------	--------------

The Purchase Price for the Bonds shall be \$ _____ (being the aggregate principal amount of the Bonds [plus/minus] an original issue [premium/discount] of \$ _____ and less an Underwriter's discount of \$ _____). In connection with the issuance of the Bonds, and the Underwriter shall wire \$ _____ directly to the Insurer for the costs of the premium on the Policy and the Reserve Policy.

EXHIBIT B

Form of Agency Letter of Representations

Citigroup Global Markets Inc.
Los Angeles, California

Riverside County Public Financing Authority
Riverside, California

The Successor Agency to the Redevelopment Agency of the City of Corona (the "Agency") hereby represents and warrants as follows:

1. The Agency is a public entity validly existing under the laws of the State of California (the "State") with full right, power and authority to adopt the Agency Resolution, to issue its Local Obligations and to execute, deliver and perform its obligations under the Agency Indenture, Local Obligation Purchase Contract, Continuing Disclosure Agreement and Irrevocable Refunding Instructions (collectively, the "Agency Documents") and to carry out and consummate the transactions contemplated by the Agency Documents and the Official Statement.

2. By all necessary official action, the Agency has duly adopted the Resolution No. 2014-__ (the "Agency Resolution") at a meeting properly noticed at which a quorum was present and acting throughout and has duly authorized and approved the execution and delivery of, and the performance by the Agency of the obligations contained in, the Agency Documents, and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Agency Documents will constitute the legally valid and binding obligations of the Agency enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against governmental agencies in the State of California. The Agency has complied, and will at the Closing be in compliance in all respects, with the terms of the Agency Documents.

3. The Agency deems the Preliminary Official Statement to be final for purposes of the Securities and Exchange Commission Rule 15c2-12(b)(5) and has approved the distribution of the Preliminary Official Statement pursuant to the Agency Resolution.

4. The information contained in the Preliminary Official Statement under the captions "SECURITY FOR THE BONDS AND THE AGENCY BONDS," "SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CORONA," "THE REDEVELOPMENT PROJECTS," "ESTIMATED REVENUES AND BOND RETIREMENT," "BOND OWNERS' RISKS" and "OTHER INFORMATION — Continuing Disclosure" and in Appendices B and C is true and correct in all material respects, and such information does not contain a misstatement of any material fact and does not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

5. Until the date which is twenty-five (25) days after the "End of the Underwriting Period" (as hereinafter defined), if any event shall occur of which the Agency is aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements in

the Official Statement, in light of the circumstances existing at such time, not misleading, the Agency shall forthwith notify the Authority and the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Agency at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

6. Except as otherwise disclosed in the Preliminary Official Statement, the Agency is not in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Agency is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and, as of such times, except as disclosed in the Preliminary Official Statement, the authorization, execution and delivery of the Agency Documents, and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance agreement or other to which the Agency (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Agency Documents.

7. Except as disclosed in the Preliminary Official Statement under the caption "OTHER INFORMATION — Litigation," there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened: (i) in any way questioning the corporate existence of the Agency or the titles of the officers of the Agency to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of the Local Obligations, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Local Obligations, or in any way contesting or affecting the validity of the Local Obligations or the Agency Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Local Obligations from taxation or contesting the powers of the Agency or its authority to issue the Local Obligations; (iii) which may result in any material adverse impact on the obligation of the Agency to pay debt service on the Local Obligations when due; (iv) with respect to information relating to the Agency only, contesting the completeness or accuracy of the Preliminary Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (v) there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this paragraph.

8. The Agency will refrain from taking any action with regard to which the Agency may exercise control that results in the inclusion in gross income for federal or State of California income tax purposes of the interest on the Local Obligations which are designated as "tax-exempt."

9. Except as disclosed in the Preliminary Official Statement, the Agency has not defaulted under any prior continuing disclosure undertaking.

10. The Oversight Board has duly approved the issuance of the Local Obligations and no further Oversight Board approval or consent is required for the issuing of the Local Obligations.

11. No further Department of Finance approval or consent is required for the issuance of the Local Obligations or the consummation of the transactions described in the Preliminary Official Statement. Except as disclosed in the Preliminary Official Statement, the Agency is not aware of the Department of Finance directing or having any basis to direct the County Auditor-Controller to deduct unpaid unencumbered funds from future allocations of property tax to the Agency pursuant to Section 34183 of the Dissolution Act.

All terms not otherwise defined herein shall have the meaning ascribed to them in the Bond Purchase Agreement, dated _____, 2015 (the "Purchase Agreement"), by and between the Riverside County Public Financing Authority (the "Authority") and Citigroup Global Markets Inc.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF
CORONA

By: _____
Its: _____

EXHIBIT C

Form of Agency Counsel Opinion

(A) The Agency is a public entity validly existing under the laws of the State of California;

(B) The Agency Resolution approving and authorizing the execution and delivery of the Agency Documents defined below and approving the Official Statement has been duly adopted, and the Agency Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(C) The Agency Indenture, Local Obligation Purchase Contract, Irrevocable Refunding Instructions and the Continuing Disclosure Agreement (collectively, the "Agency Documents") have been duly authorized, executed and delivered by the Agency and constitute valid and binding legal obligations of the Agency enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against governmental entities in the State of California;

(D) Except as otherwise disclosed in the Official Statement under the caption "OTHER INFORMATION — Litigation," there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency or body, pending (and notice of which has been served on the Agency) or to the best knowledge of such counsel after due inquiry threatened against the Agency, challenging the creation, organization or existence of the Agency, or the validity of the Agency Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the validity of the Agency Documents or contesting the authority of the Agency to enter into or perform its obligations under any of the Agency Documents, or which, in any manner, questions the right of the Agency to use the Tax Revenues (defined in the Agency Indenture) for repayment of the Local Obligations or affects in any manner the right or ability of the Agency to collect or pledge the tax revenues or the plan limits of the redevelopment project areas as described in the Official Statement; and

(F) Except as otherwise disclosed in the Official Statement, there are no outstanding bonds, notes or other obligations of the Agency which are payable out of tax increment of any of the redevelopment project areas.

EXHIBIT D

Refunded Bonds

1. Redevelopment Agency of the City of Corona Project Area "A" 1996 Housing Set-Aside Tax Allocation Bonds, originally issued in the aggregate principal amount of \$9,355,000.
2. Redevelopment Agency of the City of Corona Merged Downtown and Amended Project Area "A" 2004 Tax Allocation Refunding Bonds Series A, originally issued in the aggregate principal amount of \$36,910,000.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2014

NEW ISSUE
BOOK ENTRY ONLY

INSURED RATINGS: S&P:
UNDERLYING RATING: S&P:

In the opinion of Jones Hall, A Professional Law Corporation, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, that for the purposes of computing the alternative minimum tax imposed on certain corporations such interest is required to be taken into account in determining certain income and earnings. Interest on the Bonds is exempt from California personal income taxes. See "OTHER INFORMATION - Tax Matters" herein.

\$ _____

**Riverside County Public Financing Authority
2014 Tax Allocation Revenue Bonds
(Corona Refunding Project)**

Dated: Date of Delivery

Due: September 1, as shown below

The Riverside County Public Financing Authority 2014 Tax Allocation Revenue Bonds (Corona Refunding Project) 2014 Tax Allocation Revenue Bonds (the "Bonds") are being issued by the Riverside County Public Financing Authority (the "Authority") to provide funds to purchase separate bonds (the "Agency Bonds") being issued by the Successor Agency to the Corona Redevelopment Agency (the "Agency" or "Successor Agency") to assist in refinancing certain redevelopment activities with respect to the Corona Redevelopment Project of the Agency (the "Project Area"), as further described herein.

The Bonds will be secured under an Indenture of Trust (the "Indenture"), dated as of _____, 2014, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Bonds are secured by a pledge of, security interest in and lien on the Revenues (as defined in the Indenture), which consist principally of payments to be made by the Agency to the Authority as debt service on the Agency Bonds. The Agency Bonds are secured under an Indenture of Trust, dated as of _____, 2014, by and between the Agency and the Trustee (the "Agency Bonds Indenture"). The payments due under the Agency Bonds Indenture are secured by a pledge of, security interest in and lien on Tax Revenues (as defined in the Agency Bonds Indenture and described herein) allocated as described herein and subject to certain Senior Bonds, certain Pass-Through Agreements of the Agency, and Statutory Pass-Through payments, each defined herein. The Agency has covenanted not to issue any obligations payable from Tax Revenues, described herein, on a senior basis to the Agency Bonds. See "SECURITY FOR THE BONDS AND THE AGENCY BONDS" herein.

The Bonds are being issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in denominations of \$5,000 or any integral multiple thereof. Purchasers of interests in the Bonds will not receive certificates from the Authority or the Trustee representing their interest in the Bonds purchased. Interest on the Bonds will be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2015. Payments of principal, premium, if any, and interest on the Bonds will be payable by the Trustee, to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds, as more fully described herein.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE BONDS - Redemption of the Bonds" herein.

The scheduled payment of principal of and interest on the Bonds, when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by _____.

[Insurer to come]

The Agency Bonds are secured by a Municipal Bond Debt Service Reserve Insurance Policy issued by _____.

The Bonds are a special obligation of the Authority payable solely from certain payments from the Agency and certain other funds. Neither the County of Riverside, the State of California nor the Authority shall be obligated to pay the principal of the Bonds, or the interest thereon, except from the funds described above, and neither the faith and the credit nor the taxing power of the Agency, the County, the State of California nor any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds. The issuance of the Bonds shall not directly, indirectly or contingently obligate the Agency, the County, the State of California or any political subdivision thereof to levy or pledge any form of taxation whatever therefor or to make any appropriations for their payment. Neither the Authority nor the Agency has taxing power.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used and not defined on this cover page shall have the meanings set forth herein.

For a discussion of some of the risks associated with a purchase of the Bonds, see "RISK FACTORS" herein.

**MATURITY SCHEDULE
See inside front cover**

The Bonds are offered when, as and if issued, subject to the approval of their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain disclosure matters will be passed upon for the Authority by Best Best & Krieger LLP, Riverside, California, as Disclosure Counsel. Certain matters will be passed upon for the Authority by the Office of the County of Riverside County Counsel, for the Agency by Best Best & Krieger LLP, and for the Underwriters by Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California. It is anticipated that the Bonds will be available for delivery in definitive form on or about _____, 2015.

Citigroup

Dated: _____, 2015

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

\$ _____
Riverside County Public Financing Authority
2014 Tax Allocation Revenue Bonds
(Corona Refunding Project)

MATURITY SCHEDULES

(Base CUSIP[†]: _____)

<u>Maturity</u> Date (September 1)	<u>Principal</u> Amount	<u>Interest</u> Rate	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u>
--	----------------------------	-------------------------	--------------	--------------	--------------------------

[†] Copyright 2014. CUSIP Global Services. All rights reserved. CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. CUSIP numbers herein are provided by CGS, and are set forth herein for the convenience of reference only. None of the Authority, the City, nor the Underwriter take any responsibility for the selection or accuracy of such numbers set forth herein.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Authority or the Successor Agency to give any information or to make any representations in connection with the offer or sale of the Bonds other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction where such offer, solicitation or sale would be unlawful.

The information set forth herein has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Authority or the Successor Agency. Neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the Successor Agency since the date hereof. The information and expressions of opinion stated herein are subject to change without notice.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking" statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions. The achievement of certain results or other expectations contained in such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. No assurance is given that actual results will meet the forecasts of the Authority or the Successor Agency in any way, regardless of the optimism communicated in the information, and such statements speak only as of the date of this Official Statement. The Authority or the Successor Agency disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the expectations of the Authority or the Successor Agency with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

All summaries of the Indenture (as defined herein) or Agency Bonds Indenture (as defined herein), and of statutes and other documents referred to herein do not purport to be comprehensive or definitive and are qualified in their entireties by reference to each such statute and document. This Official Statement, including any amendment or supplement hereto, is intended to be deposited with one or more depositories. This Official Statement does not constitute a contract between any Owner of a Bond and the Authority or the Successor Agency.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR AFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY

AUTHORITY/COUNTY BOARD OF SUPERVISORS

Kevin Jeffries, District 1
John F. Tavaglione, District 2
Jeff Stone, District 3
John J. Benoit, District 4
Marion Ashley, District 5

AUTHORITY STAFF

Jay Orr, County Executive Officer
Don Kent, Treasurer
Kecia Harper-Ihem, Secretary
Gregory P. Priamos, County Counsel

**CORONA SUCCESSOR AGENCY
CITY COUNCIL**

Karen Spiegel, Mayor
Eugene Montanez, Vice Mayor
Dick Haley, Council Member
Jason Scott, Council Member

SUCCESSOR AGENCY/CITY STAFF

Bradly Robbins, City Manager
Kerry Eden, Finance Director

SPECIAL SERVICES

Trustee

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Disclosure Counsel

Best Best & Krieger LLP
Riverside, California

Financial Advisor

C. M. de Crinis & Co. Inc.
Glendale, California

Fiscal Consultant

Urban Analytics, LLC
San Francisco, California

Verification Agent

Barthe & Wahrman PA CPA's
Minneapolis, Minnesota

TABLE OF CONTENTS

<p>INTRODUCTION..... 1</p> <p style="padding-left: 20px;">General..... 1</p> <p style="padding-left: 20px;">Purpose..... 1</p> <p style="padding-left: 20px;">The County..... 1</p> <p style="padding-left: 20px;">The Authority..... 1</p> <p style="padding-left: 20px;">The Successor Agency..... 1</p> <p style="padding-left: 20px;">The Project Area..... 2</p> <p style="padding-left: 20px;">Authority for Issuance of the Bonds and the Agency</p> <p style="padding-left: 40px;">Bonds..... 2</p> <p style="padding-left: 20px;">Terms of the Bonds..... 3</p> <p style="padding-left: 20px;">Security for the Bonds and the Agency Bonds..... 4</p> <p style="padding-left: 20px;">Municipal Bond Insurance..... 5</p> <p style="padding-left: 20px;">Professionals Involved in the Offering..... 5</p> <p style="padding-left: 20px;">Continuing Disclosure..... 5</p> <p style="padding-left: 20px;">Reference to Underlying Documents..... 6</p> <p>PLAN OF FINANCE..... 7</p> <p>ESTIMATED SOURCES AND USES OF FUNDS..... 8</p> <p>ANNUAL DEBT SERVICE REQUIREMENTS OF</p> <p style="padding-left: 20px;">THE BONDS..... 9</p> <p>THE BONDS..... 10</p> <p style="padding-left: 20px;">General..... 10</p> <p style="padding-left: 20px;">Redemption of the Bonds..... 10</p> <p style="padding-left: 20px;">Notice of Redemption; Rescission..... 11</p> <p style="padding-left: 20px;">Effect of Redemption..... 11</p> <p>SECURITY FOR THE BONDS AND THE AGENCY</p> <p style="padding-left: 20px;">BONDS..... 12</p> <p style="padding-left: 20px;">Special Obligations..... 12</p> <p style="padding-left: 20px;">Tax Revenues..... 12</p> <p style="padding-left: 20px;">Low and Moderate Income Housing Set-Aside..... 13</p> <p style="padding-left: 20px;">Tax Increment Financing Generally..... 13</p> <p style="padding-left: 20px;">Assembly Bill 1290..... 14</p> <p style="padding-left: 20px;">Redevelopment Property Tax Trust Fund..... 14</p> <p style="padding-left: 20px;">Allocation of Taxes Subsequent to the Dissolution</p> <p style="padding-left: 40px;">Act..... 14</p> <p style="padding-left: 20px;">Recognized Obligation Payment Schedule..... 15</p> <p style="padding-left: 20px;">Security for the Bonds..... 17</p> <p style="padding-left: 20px;">Security for the Agency Bonds..... 18</p> <p>MUNICIPAL BOND INSURANCE..... 23</p> <p>SUCCESSOR AGENCY TO THE CORONA</p> <p style="padding-left: 20px;">REDEVELOPMENT AGENCY..... 24</p> <p style="padding-left: 40px;">The Agency..... 24</p> <p style="padding-left: 40px;">General..... 24</p> <p style="padding-left: 40px;">Agency Staff..... 24</p> <p style="padding-left: 40px;">Oversight Board..... 25</p> <p style="padding-left: 40px;">Department of Finance Finding of Completion..... 25</p> <p style="padding-left: 40px;">State Controller Asset Transfer Review..... 25</p> <p>THE REDEVELOPMENT PROJECTS..... 27</p> <p style="padding-left: 20px;">The Redevelopment Plans..... 27</p> <p style="padding-left: 20px;">The Project Areas..... 27</p> <p style="padding-left: 20px;">Pass-Through Agreements..... 31</p> <p style="padding-left: 20px;">Statutory Tax Sharing..... 33</p> <p style="padding-left: 20px;">Developer Agreements..... 34</p> <p style="padding-left: 20px;">Ten Largest Assessees..... 36</p> <p style="padding-left: 20px;">Property Tax Delinquencies..... 36</p> <p style="padding-left: 20px;">Property Value by Land Use..... 37</p> <p style="padding-left: 20px;">Plan Limitations..... 37</p> <p style="padding-left: 40px;">38</p> <p style="padding-left: 20px;">Annual Tax Increment Cap..... 39</p> <p style="padding-left: 20px;">Assessment Appeals..... 39</p> <p>ESTIMATED REVENUES AND BOND</p> <p style="padding-left: 20px;">RETIREMENT..... 42</p> <p>BOND OWNERS' RISKS..... 45</p> <p style="padding-left: 20px;">Limited Special Obligations..... 45</p> <p style="padding-left: 20px;">Recognized Obligation Payment Schedule..... 45</p> <p style="padding-left: 20px;">Challenges to Dissolution Act..... 46</p>	<p style="padding-left: 20px;">Mandatory Redemption on Acceleration of Agency</p> <p style="padding-left: 40px;">Bonds on Default..... 47</p> <p style="padding-left: 20px;">Reduction in Taxable Value..... 47</p> <p style="padding-left: 20px;">Risks of Real Estate Secured Investments Generally..... 47</p> <p style="padding-left: 20px;">Reduction in Inflationary Rate and Changes in</p> <p style="padding-left: 40px;">Legislation..... 48</p> <p style="padding-left: 20px;">Change in Law..... 48</p> <p style="padding-left: 20px;">Development and Economic Risks..... 48</p> <p style="padding-left: 20px;">Bankruptcy of Landowners..... 48</p> <p style="padding-left: 20px;">Seismic Factors and Flooding..... 48</p> <p style="padding-left: 20px;">Levy and Collection of Taxes..... 49</p> <p style="padding-left: 20px;">Estimated Revenues..... 49</p> <p style="padding-left: 20px;">Hazardous Substances..... 49</p> <p style="padding-left: 20px;">Direct and Overlapping Indebtedness..... 49</p> <p style="padding-left: 20px;">Future Legislation and Initiatives..... 50</p> <p style="padding-left: 20px;">Assessment Appeals..... 50</p> <p style="padding-left: 20px;">Economic Risks..... 50</p> <p style="padding-left: 20px;">Investment Risk..... 50</p> <p style="padding-left: 20px;">Secondary Market..... 50</p> <p style="padding-left: 20px;">Bankruptcy..... 51</p> <p>LIMITATIONS ON TAX REVENUES..... 52</p> <p style="padding-left: 20px;">Property Tax Limitations - Article XIII A..... 52</p> <p style="padding-left: 20px;">Implementing Legislation..... 53</p> <p style="padding-left: 20px;">Redevelopment Plan Limits..... 53</p> <p style="padding-left: 20px;">Unitary Property..... 53</p> <p style="padding-left: 20px;">Tax Increment Limitation; Senate Bill 211..... 54</p> <p style="padding-left: 20px;">Property Taxes; Teeter Plan..... 54</p> <p style="padding-left: 20px;">Tax Collection Fees..... 55</p> <p style="padding-left: 20px;">Future Initiatives..... 55</p> <p>OTHER INFORMATION..... 56</p> <p style="padding-left: 20px;">Continuing Disclosure..... 56</p> <p style="padding-left: 20px;">Litigation..... 56</p> <p style="padding-left: 20px;">Tax Matters..... 56</p> <p style="padding-left: 20px;">Legal Opinion..... 57</p> <p style="padding-left: 20px;">Ratings..... 57</p> <p style="padding-left: 20px;">Underwriting..... 57</p> <p style="padding-left: 20px;">Miscellaneous..... 58</p> <p>APPENDIX A - Fiscal Consultant's Report..... A-1</p> <p>APPENDIX B - General Information Concerning the City of</p> <p style="padding-left: 20px;">Corona..... B-1</p> <p>APPENDIX C - Audited Financial Statements of the City of</p> <p style="padding-left: 20px;">Corona for Fiscal Year Ended June 30,</p> <p style="padding-left: 40px;">2013..... C-1</p> <p>APPENDIX D - Summary of Certain Provisions of the</p> <p style="padding-left: 20px;">Legal Documents..... D-1</p> <p>APPENDIX E - DTC and the Book-Entry System..... E-1</p> <p>APPENDIX F - Forms of Opinions of Bond Counsel..... F-1</p> <p>APPENDIX G - Form of Continuing Disclosure Agreement... G-1</p> <p>APPENDIX H - Specimen Municipal Bond Insurance</p> <p style="padding-left: 20px;">Policy..... H-1</p> <p>APPENDIX I - State Department of Finance Determination</p> <p style="padding-left: 20px;">Letter Approving the Bonds..... I-1</p>
--	--

§ _____
Riverside County Public Financing Authority
2014 Tax Allocation Revenue Bonds
(Corona Refunding Project)

INTRODUCTION

This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement and the offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not defined in this Introduction shall have the meanings assigned to them elsewhere in this Official Statement.

General

This Official Statement, including the cover page and appendices hereto, provides information in connection with the issuance by the Riverside County Public Financing Authority (the "Authority") of \$ _____ Riverside County Public Financing Authority 2014 Tax Allocation Revenue Bonds (Corona Refunding Project) (the "Bonds").

Purpose

The Bonds are being issued to provide funds to purchase the bonds of the Successor Agency to the Corona Redevelopment Agency (the "Agency" or the "Successor Agency") further described herein (the "Agency Bonds"). The Agency Bonds are being issued (i) to refinance certain outstanding obligations of the Merged Redevelopment Project, (ii) to fund the premium for a debt service reserve surety bond for the reserve account for the Agency Bonds, and (iii) to pay costs of issuance of the Bonds and the Agency Bonds, including the financial guaranty insurance premium for the Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The County

The County, which encompasses 7,177 square miles, was organized in 1893 from territory in San Bernardino and San Diego Counties. Located in the southeastern portion of California, Riverside County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the South by San Diego and Imperial Counties and on the west by Orange and Los Angeles Counties. There are 28 incorporated cities in Riverside County.

The Authority

The Authority was established pursuant to a Joint Exercise of Powers Agreement, dated as of March 20, 1990, by and between the County of Riverside (the "County") and the Redevelopment Agency for the County of Riverside, pursuant to Chapter 5, Division 7, Title 1 of the California Government Code (the "Act"). The Authority has the power under the Act to acquire the bonds and other obligations of local agencies (as such term is defined in the Act). The Board of Supervisors of the County (the "Board") serves as the Board of Directors of the Authority.

The Successor Agency

As described below, the Successor Agency has succeeded to certain rights of the Corona Redevelopment Agency (the "Former Agency"). The Former Agency was activated by the City Council (the "City Council") of the City of Corona (the "City") in 1964, to exercise the powers granted by the California Community Redevelopment Law (Sections 33000 et seq. of the California Health and Safety Code) (the "Redevelopment Law").

Pursuant to California legislation enacted in 2011 and 2012 (as more fully described herein, the "Dissolution Act"), redevelopment agencies in California, including the Former Agency, were dissolved, and with certain exceptions, could no longer conduct redevelopment activities. The Successor Agency, however, is authorized to continue to refinance existing bonds in order to achieve a savings in debt service. See "The Project Area" below. See also "SUCCESSOR AGENCY TO THE CORONA REDEVELOPMENT AGENCY" for a discussion of the Dissolution Act, the formation of the Successor Agency and the current powers, and limitations thereon, of the Successor Agency.

The Project Area

In 1964, the City of Corona City Council established the Redevelopment Agency of the City of Corona and initiated efforts for major urban revitalization. The Agency adopted its first redevelopment plan in January 1966 for the Downtown Project Area which consisted of approximately 28 acres by Ordinance No. 1004. The Project Area was subsequently amended by Ordinance No. 1819 on December 17, 1986, by Ordinance No. 2217 on August 17, 1994 and by Ordinance No. 2356 on July 1, 1998.

The Redevelopment Plan for the original Redevelopment Project Area "A" was adopted by Ordinance No. 1546 on July 18, 1979. It was subsequently amended by Ordinance No. 1748 on November 21, 1984, Ordinance No. 1801 on June 4, 1986, Ordinance No. 1926 on April 19, 1989, Ordinance No. 2056 on June 19, 1991, Ordinance No. 2162 on June 2, 1993, Ordinance No. 2215 on August 17, 1994 and Ordinance No. 2356 on July 1, 1998.

On July 1, 1998, the City Council by Ordinance No. 2356, approved the merger of the Downtown Project Area with Project Area "A" and added 648 acres to Project Area "A" to create the Amended and Restated Redevelopment Plan for the Merged Downtown and Amended Project Area "A," which is collectively referred to herein as the "Project Area." The Redevelopment Plan was further amended on September 17, 2003 by Ordinance No. 2671 to eliminate the time limit to incur debt for the entire Project Area. On October 1, 2003, the City Council by Ordinance 2675 amended the Redevelopment Plan further to reinstate the Agency's right to use eminent domain to acquire properties for 12 years from the date of adoption of Ordinance 2675 in the territory encompassing Amendment Nos. I, II and IV of the Project Area. The Agency had approval of an additional sub-area (Area A – Amendment IX), however, this area does not generate tax increment and is not described further. The "Redevelopment Plan" as referred to herein includes each of the foregoing plans and amendments. On July 5, 2000, the Agency approved the Temescal Canyon area by Ordinance no. 2463. The Merged Redevelopment Project and the Temescal Canyon Project Area all referred to herein as the "Project Areas," See "THE PROJECT AREAS," herein.

Under the Dissolution Act, the Agency Bonds are secured by a pledge of, and payable from moneys deposited from time to time in a Redevelopment Property Tax Trust Fund held and administered by the Office of the Auditor Controller of the County of Riverside (the "County Auditor-Controller") with respect to the Successor Agency (the "Redevelopment Property Tax Trust Fund"). DISCUSSIONS HEREIN REGARDING TAX REVENUES NOW REFER TO THOSE MONEYS DEPOSITED BY THE COUNTY AUDITOR-CONTROLLER INTO THE REDEVELOPMENT PROPERTY TAX TRUST FUND EQUAL TO SUCH TAX REVENUES. The Dissolution Act authorizes the issuance of bonds by a successor agency to make payments under certain enforceable obligations, which bonds may be secured by a pledge of property tax increment with the same legal effect as if the Bonds had been issued prior to the Dissolution Act, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date. See "SECURITY FOR THE BONDS AND THE AGENCY BONDS – Tax Revenues Allocable to the Successor Agency."

Authority for Issuance of the Bonds and the Agency Bonds

The Bonds are being issued by the Authority pursuant to the provisions of the Act. The Agency Bonds are being issued by the Successor Agency pursuant to the provisions of the Dissolution Act and Article 11 (commencing with Section 53588) of Chapter 3 of Part 1 of Division 2 of the Government Code of the State of California.

The County of Riverside (the "County") has developed a program with the Authority to assist successor agencies within the County to refund tax increment obligations pursuant to AB 1484 in order to provide debt service savings to such successor agencies and to increase property tax revenues available for distribution to affected taxing entities.

Concurrently with the issuance of the Bonds, the Successor Agency will issue its tax allocation refunding bonds designated as \$ _____ Corona Redevelopment Project Subordinated Tax Allocation Refunding Bonds, Series 2014 (the "Series 2014 Bonds") (the "Agency Bonds") pursuant to an Indenture of Trust dated as of _____ 1, 2014 (the "Agency Bonds Indenture"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A. (the "Agency Trustee"), the proceeds of which will be used to refund all or a portion of certain bonds and indebtedness of the Successor Agency as more fully described herein. Proceeds of the Bonds will be used to purchase the Agency Bonds.

The Bonds will be special, limited obligations of the Authority, payable from and secured by Revenues (as defined herein) of the Authority, consisting primarily of payments on the Agency Bonds received by the Authority from the Successor Agency. The Agency Bonds will be payable from and secured by, designated property tax (formerly tax increment revenues) related to the Corona Redevelopment Project, which will include, moneys deposited, from time to time, in the Redevelopment Property Tax Trust Fund ("RPTTF") as provided in the California Health and Safety Code as more fully described herein. Collectively, such tax increment revenues subject to a pledge under the Agency Bonds Indenture are referred to herein as "Tax Revenues." Payments under the Agency Bonds are calculated to be sufficient to permit the Authority to pay the principal of, premium, if any, and interest on the Bonds when due. The Agency Bonds will be registered in the name of the Trustee and Agency Bond payments will be paid to the Trustee as assignee of the Authority. See "SECURITY FOR THE BONDS AND THE AGENCY BONDS."

The issuance of the Agency Bonds was subject to approvals under the Dissolution Act, of the Successor Agency's Oversight Board, as described below, and the Department of Finance of the State of California (the "State Department of Finance"). All such approvals have been obtained. See "SUCCESSOR AGENCY TO THE CORONA REDEVELOPMENT AGENCY."

The Oversight Board for the Successor Agency approved the issuance of the Agency Bonds by the Successor Agency by resolution adopted on October 8, 2014. The Department of Finance of the State of California released its letter approving the Oversight Board Resolution approving the issuance of the Bonds on _____, 2014. See Appendix I – "STATE DEPARTMENT OF FINANCE DETERMINATION LETTER APPROVING THE BONDS."

Terms of the Bonds

The Bonds will be issued in denominations of \$5,000 and any integral multiple thereof (the "Authorized Denominations"). The Bonds will be dated their date of delivery and are payable with respect to interest semiannually each March 1 and September 1, commencing on March 1, 2015.

The Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Principal of and interest on the Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Participants (defined herein) for subsequent disbursement to the Owners of the Bonds. See APPENDIX E – "DTC AND THE BOOK-ENTRY ONLY SYSTEM" attached hereto.

The Bonds are subject to redemption prior to maturity, as described herein. See "THE BONDS – Redemption of the Bonds" herein.

Security for the Bonds and the Agency Bonds

The Bonds are secured by a lien on and pledge of Revenues made in the Indenture. Under the Indenture, "Revenues" is defined to mean all amounts received by the Trustee as the payment of interest or redemption premium on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, the Agency Bonds, whether as a result of scheduled payments or prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any moneys held in the Funds or accounts established under the Indenture, except the Rebate Fund.

The Bonds will be special obligations of the Authority, payable from and secured as to the payment of the principal thereof and the redemption premium, if any, and the interest thereon in accordance with their terms and the terms of the Indenture. The Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of or redemption premium, if any, or interest on the Bonds except from Revenues. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of or redemption premium, if any, or interest on the Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of or redemption premium, if any, or interest on the Bonds. The payment of the principal of or redemption premium, if any, or interest on the Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority.

Prior to the enactment of the Dissolution Act, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations. Tax Revenues (as defined under the caption "SECURITY FOR THE BONDS AND THE AGENCY BONDS – Tax Revenues") consist of a portion of such incremental tax revenues.

The Agency Bonds will be special obligations of the Successor Agency and are payable, as to interest thereon and principal thereof, exclusively from the Tax Revenues under the Agency Bonds Indenture, and the Agency is not obligated to pay them except from such Tax Revenues. The Agency Bonds shall be also equally secured by the pledge and lien created with respect to the Agency 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. The Agency Bonds are payable as set forth in the Agency Bonds Indenture, are not a debt of the City of Corona (the "City"), the County, the State of California or any other political subdivision of the State, and neither the City, the State, the County nor any of the State's other political subdivisions is liable therefor, nor in any event shall the Agency Bonds be payable out of any funds or properties other than those of the Agency pledged therefor as provided in the Agency Bonds Indenture. The Agency Bonds have their own payment schedule which has been sized to pay debt service on the Bonds. APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS" attached hereto.

Additional Debt. The Authority may not issue or incur any obligations payable from Revenues. As more fully described under "SECURITY FOR THE BONDS AND THE AGENCY BONDS," the Agency may issue or incur additional obligations on a parity with the pledge of the Tax Revenues securing the applicable Agency Bonds if certain debt service coverage tests are met under the Agency Bonds Indenture. The Successor Agency will not be permitted to issue any obligations with a lien on Tax Revenues senior to the lien of the Agency Bonds.

Outstanding Senior Bonds. As more fully described under "SECURITY FOR THE BONDS AND THE AGENCY BONDS," the Agency has certain outstanding senior obligations secured by Tax Revenues

which are currently outstanding in an aggregate principal amount of \$18,250,000 for the \$22,155,000 Redevelopment Agency of the City of Corona Temescal Canyon Project Area 2007 Tax Allocation Bonds Series A and \$25,395,000 for the \$29,550,000 Redevelopment Agency of the City of Corona Merged Downtown and Amended Project Area "A" 2007 Tax Allocation Bonds Taxable Series A. See "ESTIMATED REVENUES AND BOND RETIREMENT" herein. The Agency has covenanted to not issue any additional bonds payable from Tax Revenues senior to the Agency Bonds.

Municipal Bond Insurance

Concurrently with the issuance of the Bonds, _____ will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

In order to further secure the payment of the principal of and interest on the Agency Bonds, a Reserve Account in the Debt Service Fund is established by the Agency Bonds Indenture. The Reserve Account will initially be funded by the purchase of a Municipal Bonds Debt Service Reserve Fund Insurance Policy (the "Reserve Policy") issued by _____ in an amount equal to the Reserve Requirement as defined in the Agency Bonds Indenture (the "Reserve Requirement"). The Reserve Policy secures the Agency Bonds. The initial Reserve Requirement for the Agency Bonds is the amount of \$ _____. See "SECURITY FOR THE BONDS – Security for the Agency Bonds – *Municipal Bond Debt Service Reserve Insurance Policy*."

Professionals Involved in the Offering

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, will act as trustee with respect to the Bonds and the Agency Bonds under the Indenture and the Agency Bonds Indenture.

C. M. de Crinis & Co., Inc., Glendale, California, has acted as Financial Advisor to the Authority and the Agency in the structuring and presentation of the financing.

Urban Analytics, LLC, San Francisco, California, has acted as Fiscal Consultant to the Agency and has prepared an analysis of taxable values and tax increment revenues in the Project Areas. See APPENDIX A – "FISCAL CONSULTANT'S REPORT" herein.

All proceedings in connection with the issuance of the Bonds and the Agency Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Best Best & Krieger LLP is acting as Disclosure Counsel. Certain legal matters will be passed on for the Authority by the Office of the County of Riverside County Counsel, and for the Agency by Best Best & Krieger LLP. Stradling Yocca Carlson & Rauth, a Professional Corporation, will be acting as counsel to the Underwriters. The fees and expenses of the Financial Advisor, Bond Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Continuing Disclosure

With respect to continuing disclosure, the Successor Agency will prepare and provide annual updates of the information contained in the tables included in this Official Statement with respect to property tax revenues, collections, any material delinquencies, principal taxpayers, and plan limit calculations and notices of enumerated events required under the Continuing Disclosure Agreement. The Authority will act as Dissemination Agent and will ensure that the annual reports and notices are filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA"). See the caption "OTHER INFORMATION – Continuing Disclosure" and APPENDIX G – "FORM OF CONTINUING DISCLOSURE AGREEMENT." Other than as described in the Official Statement under the heading "OTHER INFORMATION-Continuing Disclosure," the Agency has not failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports or notices of material events in the last five years, except as discussed under the caption "OTHER INFORMATION – Continuing Disclosure."

Reference to Underlying Documents

Brief descriptions of the Bonds, the Indenture, the Agency Bonds Indenture, the Agency, the Authority, the County, the Successor Agency, the Project Area and other related information are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of and references to all documents, statutes, reports and other instruments referred to herein are qualified in their entirety by reference to such document, statute, report or instrument, copies of which are all available for inspection at the offices of the Successor Agency. Certain capitalized terms used and not defined herein shall have the meaning given to those terms in APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS” attached hereto.

PLAN OF FINANCE

The Bonds are being issued to provide funds to purchase the Agency Bonds. The Agency Bonds are being issued (i) to refinance redevelopment activities with respect to the Merged Redevelopment Project, (ii) to fund the premium for a debt service reserve fund surety bond for the reserve account for the Agency Bonds, and (iii) to pay costs of issuance of the Bonds and the Agency Bonds, including the cost of financial guaranty insurance premium for the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Former Agency entered into a Trust Indenture, dated as of September 1, 1996 (the "1996 Bonds Indenture"), by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., formerly known as BNY Western Trust Company, as trustee (the "1996 Bonds Trustee"), pursuant to which the Former Agency issued its Redevelopment Project Area "A" 1996 Housing Set-Aside Tax Allocation, in the initial principal amount of \$9,355,000 (the "1996 Bonds"), for the purpose of financing low and moderate income housing within Project Area A; and

Pursuant to an Indenture dated as of April 1, 1994 (the "1994 Indenture"), as supplemented by the First Supplemental Indenture, dated as of July 1, 2004 (the "2004 Supplemental Indenture"), by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., formerly known as BNY Western Trust Company, as successor-in-interest to U.S. Trust Company of California N.A., as trustee (the "2004 Bonds Trustee" and together with the "1996 Bonds Trustee," the "Prior Trustee"), the Former Agency issued its Redevelopment Agency of the City of Corona Merged Downtown and Amended Project Area "A" 2004 Tax Allocation Refunding Bonds Series A, in the initial principal amount of \$36,910,000 (the "2004 Bonds" and together with the 1996 Bonds, the "Prior Bonds"), for the purpose of refunding the then bonds of the Former and financing redevelopment activities with respect to the Merged Downtown and Amended Project Area "A" Project Area.

On the date of issuance of the Agency Bonds, a portion of the proceeds will be transferred to the Prior Trustee for deposit into the redemption fund established for each series of the Prior Bonds, under certain Refunding Instructions dated as of _____ (the "Refunding Instructions") delivered by the Successor Agency to the Prior Trustee. The amount deposited in the redemption fund for the Prior Bonds, together with other available moneys, will be held uninvested, or invested in certain federal securities and irrevocably pledged for the payment of the related Prior Bonds on _____, as applicable.

The amounts held and invested by the Fiscal Agent for the respective Prior Bonds in the Redemption Fund are pledged solely to the payment of amounts due and payable by the Agency under the 1996 Bonds Indenture and the 2004 Supplemental Indenture. Neither the funds deposited in the Redemption Fund for the Prior Bonds nor the interest on the invested funds will be available for the payment of debt service on the Agency Bonds or the Bonds.

See "ESTIMATED SOURCES AND USES OF FUNDS" below. See also "VERIFICATION OF MATHEMATICAL ACCURACY" below.

ESTIMATED SOURCES AND USES OF FUNDS

Set forth below are the estimated sources and uses of proceeds of the Authority Bonds.

Sources:

Par Amount of Bonds
Net Original Issue Premium (Discount)
TOTAL SOURCES

Uses:

Deposit to Bond Purchase Fund:
Costs of Issuance⁽¹⁾
TOTAL USES:

Set forth below are the estimated sources and uses of proceeds of the Agency Bonds.

Sources:

Par Amount of Agency Bonds
Net Original Issue Premium (Discount)
Prior Bonds Funds
Less: Costs of Issuance
TOTAL SOURCES:

Uses:

Deposit to Redemption Fund
TOTAL USES:

⁽¹⁾ Includes Underwriters' Discount, legal fees, printing, rating agency fees and expenses, fees of the Financial Advisor, fees of the Fiscal Consultant, municipal bond insurance premiums, Reserve Policy premiums and other issuance costs of the Bonds and the Agency Bonds.

ANNUAL DEBT SERVICE REQUIREMENTS OF THE BONDS

The following table provides the annual debt service requirements of the Bonds.

<u>Year Ending</u> <u>(September 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
--	-------------------------	------------------------	---------------------

THE BONDS

General

The Bonds will be dated as of the date of original delivery (the "Closing Date"), will bear interest at the rates per annum and will mature on the dates and in the amounts set forth on the inside cover page hereof. The Bonds will be issued in fully registered form, without coupons, in the denomination of \$5,000 each or any integral multiple thereof. Interest on the Bonds is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2015 (each an "Interest Payment Date"). Principal of and premium, if any, on the Bonds is payable upon the surrender thereof at the corporate trust office of the Trustee in Los Angeles, California. Interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the registered owners as of the fifteenth day of the month preceding the Interest Payment Date (the "Record Date"). At the written request of an Owner of the Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, interest on the applicable Bonds shall be paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account within the United States of America as shall be specified in such written request (any such written request shall remain in effect until rescinded in writing by the Owner). The principal of and premium (if any) on the Bonds shall be payable in lawful money of the United States of America by check or draft of the Trustee upon presentation and surrender thereof at the Office of the Trustee.

Notwithstanding the foregoing, while the Bonds are held in the book-entry only system of DTC, all such payments of principal, interest and premium, if any, will be made to Cede & Co. as the registered owner of the Bonds, for subsequent disbursement to Participants and beneficial owners. See APPENDIX E – "DTC AND THE BOOK-ENTRY SYSTEM."

Redemption of the Bonds

Optional Redemption. The Bonds are not subject to optional redemption.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, _____ (the "Term Bonds"), are subject to mandatory sinking fund redemption in part by lot at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest thereon to the date of redemption, without premium, in the aggregate respective principal amounts and on September 1, in the respective years as set forth in the following tables; provided, however, that in lieu of mandatory sinking fund redemption thereof such Bonds may be purchased by the Authority pursuant to the Indenture:

Bonds Maturing September 1, _____

Redemption Date
(September 1)

Amount

(maturity)

In the event that the Term Bonds have been optionally redeemed in part, the total amount of all future sinking account payments set forth for the above Term Bonds will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among each sinking account payment for the Term Bonds on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency. In lieu of depositing cash with the Trustee as a mandatory sinking account payment, the Authority shall have the option to tender to the Trustee for cancellation at least 60 days prior to a sinking account redemption date any amount of Term Bonds purchased by the Authority which Term Bonds may be purchased by the Agency at public or private sale as and when and at such prices as the Authority may in its discretion determine. The par amount of any Term bonds so purchased by the Authority and tendered to the Trustee in any twelve month period ending on July 1, in any

calendar year shall be credited towards and shall reduce the next mandatory sinking account payments required to be made in the order in which they are required to be made, as shown above.

Mandatory Redemption Upon Acceleration of Agency Bonds. The Bonds shall also be subject to mandatory redemption in whole or in part among maturities on a pro rata basis and by lot within a maturity, on any date, from amounts credited towards the payment of principal of any Agency Bonds coming due and payable solely by reason of acceleration of such Agency Bonds pursuant to the Agency Bonds Indenture, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, together with accrued interest thereon to the redemption date. The Bonds shall be subject to such redemption solely from amounts credited towards the payment of principal of any Agency Bonds which has become due and payable by reason of acceleration upon an Event of Default (as defined in the applicable Agency Bonds Indenture), and shall not be subject to redemption from any amounts credited towards the payment of matured principal which has become due and payable.

Notice of Redemption; Rescission

The Trustee on behalf and at the expense of the Authority shall mail (by first class mail) notice of any redemption to the Insurer and to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories (as defined under the Indenture) and to one or more Information Services (as defined under the Indenture), at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Authority 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 notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Authority 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 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 Bonds being redeemed with the proceeds of such check or other transfer.

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 Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any benefit under the Indenture, other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. All Bonds redeemed or purchased pursuant to the Indenture shall be canceled by the Trustee.

SECURITY FOR THE BONDS AND THE AGENCY BONDS

Special Obligations

The Bonds will be special obligations of the Authority, payable from and secured as to the payment of the principal thereof and the redemption premium, if any, and the interest thereon in accordance with their terms and the terms of the Indenture, solely from Revenues and funds on deposit in certain funds and accounts established under the Indenture. The Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of or redemption premium, if any, or interest on the Bonds except from the Revenues. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of or redemption premium, if any, or interest on the Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of or redemption premium, if any, or interest on the Bonds. The payment of the principal of or redemption premium, if any, or interest on the Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority.

The Agency Bonds will be special obligations of the Agency and are payable, as to interest thereon and principal thereof, exclusively from the Tax Revenues, and funds on deposit in certain funds and account established under the Agency Bonds Indenture, and the Agency is not obligated to pay such principal and interest except from such Tax Revenues. The Agency Bonds shall be also equally secured by the pledge and lien created with respect to the Agency 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. The Agency Bonds are payable as set forth in the Agency Bonds Indenture, are not a debt of the City, the County, the State of California or any other political subdivision of the State, and neither the City, the State, the County nor any of the State's other political subdivisions are liable therefor, nor in any event shall the Agency Bonds be payable out of any funds or properties other than those of the Agency pledged therefor as provided in the Agency Bonds Indenture. The Agency Bonds have their own payment schedule which has been sized to pay debt service on the Bonds.

Tax Revenues

The term "Tax Revenues," as defined in the Agency Bonds Indenture, means all taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency 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, or pursuant to other applicable State laws and that are deposited in the Redevelopment Property Tax Trust Fund for transfer to the Successor Agency for deposit into the Redevelopment Obligation Retirement Fund, exclusive of amounts pledged to the Senior Bonds, required to pay or otherwise provide for the Pass-Through Agreements, or required to be paid to taxing-entities pursuant to Statutory Pass-Through payments, described herein.

"Pass-Through Agreements" means;

- (i) an agreement between the Former Agency and the Corona-Norco Unified School District, dated June 18, 1991;
- (ii) an agreement between the Former Agency and the Riverside-Corona Conservation District, dated August 26, 1991;
- (iii) an agreement between the Former Agency and the Home Garden Sanitary District, dated June 18, 1991;
- (iv) an agreement between the Former Agency and the Northwest Mosquito Abatement District, dated July 15, 1991;

(v) an agreement between the Former Agency and the Riverside County Superintendent of Schools, dated July 22, 1992;

(vi) an agreement between the Former Agency and the Riverside City Community College District, dated September 10, 1991; (Kim, David Mealy's report lists the pass-through agreement with "City" as part of the name. In addition, the County spreadsheet for the RPTTF distribution has "City" as part of the name as well.

(vii) an agreement between the Former Agency and the County, dated September 21, 1993; and

(viii) agreements with the Riverside County Flood Control and Water Conservation District, dated February 13, 1985, December 25, 1993, and a Settlement and Release Agreement dated March 1, 2005.

Additionally, the Agency has certain Statutory Pass-Through payments described herein under, "THE PROJECT AREAS – Statutory Pass-Through Payments."

"Senior Bonds" means the \$29,550,000 original principal amount of Merged Downtown and Amended Project Area "A" 2007 Tax Allocation Bonds Taxable Series A and the \$22,150,000 original principal amount of Temescal Canyon Project Area 2007 Tax Allocation Bonds Series A.

Low and Moderate Income Housing Set-Aside

Prior to the Dissolution Act, the Redevelopment Law required generally that redevelopment agencies set aside in a low and moderate income housing fund not less than 20% of all tax revenues allocated to such agencies. This 20% set-aside requirement was eliminated by the Dissolution Act. Upon the refunding of the Prior Bonds, there will be no obligations outstanding which will have a prior lien on the Low and Moderate Housing Fund. Accordingly, Tax Revenues are not subject to the former set aside requirement for such purposes and the former set aside requirement is included in Tax Revenues pledged to the payment of debt service on the Agency Bonds.

Tax Increment Financing Generally

Prior to the Dissolution Act, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax revenues. This financing mechanism provides that the taxable valuation of the property within a project area on the property tax roll last equalized prior to the effective date of the ordinance that adopts the redevelopment plan becomes the base year valuation. Thereafter, the increase in taxable valuation becomes the increment upon which taxes are levied and allocated to the applicable agency. Redevelopment agencies have no authority to levy property taxes, but must instead look to this allocation of tax revenues to finance their activities.

Under the Redevelopment Law and Section 16 of Article XVI of the State Constitution, taxes on all taxable property in a project area levied by or for the benefit of the State, any city, county, city and county, district or other public corporation (the "Taxing Agencies") when collected are divided as follows:

(i) An amount each year equal to the amount that would have been produced by the then current tax rates applied to the assessed valuation of such property within the project area last equalized prior to the effective date of the ordinance approving the redevelopment plan, plus the portion of the levied taxes in excess of the foregoing amount sufficient to pay debt service on any voter-approved bonded indebtedness of the respective Taxing Agencies incurred for the acquisition or improvement of real property and approved on or after January 1, 1989, is paid into the funds of the respective Taxing Agencies; and

(ii) That portion of the levied taxes in excess of the amount described in paragraph (i) is deposited into a special fund of the applicable redevelopment agency to pay the principal of and interest

on loans, moneys advanced to, or indebtedness incurred by, such agency to finance or refinance activities in or related to such project area.

That portion of the levied taxes described in paragraph (ii) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund. In addition, Section 34183 of the Dissolution Act effectively eliminates the "on and after January 1, 1989" reference from paragraph (i) above.

Assembly Bill 1290

Assembly Bill 1290 (being Chapter 942, Statutes of 1993) ("AB 1290") was adopted by the California Legislature and became law on January 1, 1994. The enactment of AB 1290 created several significant changes in the Redevelopment Law, including time limitations for redevelopment agencies to incur and repay loans, advances and indebtedness that are repayable from tax increment revenues. See "THE PROJECT AREAS" for a discussion of the time limitations.

AB 1290 also established a statutory formula for sharing tax increment for project areas established, or amended in certain respects, on or after January 1, 1994, which applies to tax increment revenues net of the housing set-aside. The first 25% of net tax increment generated by the increase in assessed value after the establishment of the project area or the effective date of the amendment is required to be paid to affected taxing entities. In addition, beginning in the 11th year of collecting tax increment, an additional 21% of the increment generated by increases in assessed value after the tenth year must be so paid. Finally, beginning in the 31st year of collecting tax increment, an additional 14% of the increment generated by increases in assessed value after the 30th year must be so paid. See "THE PROJECT AREAS – Pass-Through Agreements."

The tax sharing payments described above are required to be made prior to payment of debt service on bonds or loans secured by tax increment from project areas which are subject to AB 1290. However, the provisions of Section 33607.5(e) of the Redevelopment Law set forth a process pursuant to which such payments may be subordinated to debt service on newly-issued bonds or loans. The Former Agency did not take any action to subordinate the tax-sharing payments with respect to debt service on the Former Agency Bonds. Per Section 34177.5(c) the Successor Agency will subordinate the Tax-Sharing Agreement with the County.

Redevelopment Property Tax Trust Fund

The Dissolution Act authorizes bonds, including the Agency Bonds, to be secured by a pledge of moneys deposited from time to time in a Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to a successor agency (the "Redevelopment Property Tax Trust Fund"), which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the county auditor-controller. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described below.

Allocation of Taxes Subsequent to the Dissolution Act

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB 26, in full conformity with the

applicable provision of the Redevelopment Law that existed prior to that date so that property tax revenues (formerly tax increment revenues) are paid to the Successor Agency in such amounts and on such dates to ensure the timely payment of debt service on the Senior Bonds and the Agency Bonds. Pursuant to the Dissolution Act, the Successor Agency has covenanted to take all actions necessary to ensure that the Senior Bonds and the Agency Bonds will be included in the Successor Agency's Recognized Obligation Payment Schedules as prepared from time to time under the Dissolution Act. See "*Recognized Obligation Payment Schedules*" below.

Taxes levied on the property within the Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll within the Project Area, to the extent they constitute tax increment revenues, less administrative costs, and certain tax-sharing payments, as described herein, will be deposited in the Redevelopment Property Tax Trust Fund for transfer by the County Auditor-Controller to the Successor Agency's Redevelopment Obligation Retirement Fund established pursuant to the Dissolution Act on January 2 and June 1 of each year to the extent required for payments listed in the Successor Agency's Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See "*Recognized Obligation Payment Schedule*" below.

Recognized Obligation Payment Schedule

The Dissolution Act requires that, not less than 90 days prior to each January 2 and June 1, successor agencies prepare, and submit to the successor agency's oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule (the "*Recognized Obligation Payment Schedule*") pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation.

As defined in the Dissolution Act, "*enforceable obligation*" includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and, under certain circumstances, amounts borrowed from the successor agency's low and moderate income housing fund.

A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bonds for the next payment due in the following six-month period.

In the Agency Bonds Indenture, the Successor Agency has covenanted to comply with all requirements of the Redevelopment Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants under the Agency Bonds Indenture. Further, it will take all actions required under the Dissolution Act to include scheduled debt service on the Senior Bonds, the Agency Bonds and any Parity Debt, as well as any amount required under the Senior Bonds Indentures to replenish the Reserve Account established thereunder or required under the Agency Bonds Indenture to replenish the Reserve Accounts, in Recognized Obligation Payment Schedules for each six-month period so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Agency Bonds coming due in the respective six-month period. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with the Agency Bonds Indenture.

The Dissolution Act requires the State Department of Finance to make a determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than 45 days after the Recognized Obligation Payment Schedule is submitted. Within five business days of the determination by the State Department of Finance, the Successor Agency may request additional review by the State Department of Finance and an opportunity to meet and confer on disputed items, if any. The State Department of Finance will notify the Successor Agency and the County Auditor-Controller as to the outcome of its review at least 15 days before the January 2 or June 1 date of property tax distribution, as applicable. The State Department of Finance has on occasion rejected items on the Successor Agency's Recognized Obligation Payment Schedule. However, none of the rejected items related to bond debt service or enforceable obligations related to the repayment of bonds.

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules.

Additionally, if an enforceable obligation provides for an irrevocable commitment of property tax revenue and where allocation of revenues is expected to occur over time, the Dissolution Act provides that a successor agency may petition the State Department of Finance to provide written confirmation that its determination of such enforceable obligation as approved in a Recognized Obligation Payment Schedule is final and conclusive, and reflects the Department's approval of subsequent payments made pursuant to the enforceable obligation. If the confirmation is granted by the State Department of Finance, then the State Department of Finance's review of such payments in each future Recognized Obligation Payment Schedule will be limited to confirming that they are required by the prior enforceable obligation. The Agency does not have any enforceable obligations which require the issuance of additional bonds.

The Successor Agency's collection of Tax Revenues in the Project Area is also subject to limitations of the annual tax increment collected by the Successor Agency over the life of the Redevelopment Plan. See "THE PROJECT AREAS-Plan Limitations."

The Successor Agency has no power to levy and collect property taxes, and any property tax limitation, legislative measure, voter initiative or provision of additional sources of income to taxing agencies having the effect of reducing the property tax rate could reduce the amount of Tax Revenues that would otherwise be available to pay debt service on the Agency Bonds and, consequently, the principal of, and interest on, the Bonds. Likewise, broadened property tax exemptions could have a similar effect. See "BOND OWNERS' RISKS" and "LIMITATIONS ON TAX REVENUES."

Sections 33607.5 and 33607.7 of the Redevelopment Law required mandatory tax sharing applicable to redevelopment projects adopted after January 1, 1994, or amended thereafter in certain manners specified in such statutes (the "Statutory Pass-Through Amounts"). The Dissolution Act requires the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund amounts required to be distributed for Statutory Pass-Through Amounts to the taxing entities for each six-month period before amounts are distributed by the County Auditor-Controller from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund each January 2 and June 1, unless (i) pass-through payment obligations have previously been made subordinate to debt service payments for the bonded indebtedness of the Former Agency, as succeeded by the Successor Agency (see below), (ii) the Successor Agency has reported, no later than the December 1 and May 1 preceding the January 2 or June 1 distribution date, that the total amount available to the Successor Agency from the Redevelopment Property Tax Trust Fund allocation to the Successor Agency's Redevelopment Obligation Retirement Fund, from other funds transferred from the Former Agency, and from funds that have or will become available through asset sales and all redevelopment operations is insufficient to fund the Successor Agency's enforceable obligations, pass-through payments, and the Successor Agency's administrative cost allowance for the applicable six-month period, and (iii) the State Controller has concurred with the Successor Agency that there are insufficient funds for such purposes for the applicable six-month period.

If the requirements stated in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed for such six-month period. To provide for calculated shortages to be paid to the Successor Agency for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the taxing entities under the Dissolution Act after payment of the Successor Agency's enforceable obligations, pass-through payments, and the Successor Agency's administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Successor Agency for administrative costs for the applicable six-month period in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts to be distributed for statutory tax sharing amounts, in order to be paid to the Successor Agency for enforceable obligations, but only after the amounts described in the previous two sentences have been exhausted.

The Successor Agency cannot guarantee that this process prescribed by the Dissolution Act of administering the tax increment revenues and the statutory tax sharing amounts will effectively result in adequate Tax Revenues for the payment of principal and interest on the Agency Bonds when due. See "– Recognized Obligation Payment Schedule." See also "Estimated Revenues and Debt Service" for additional information regarding the Statutory Pass-Through Amounts applicable to the Successor Agency and the revenues derived from the Project Area. The Successor Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Tax Revenues available in any six-month period to pay the principal of and interest on the Agency Bonds. See "BOND OWNERS' RISKS."

The Agency Bonds are not a debt of the City, the County, the State or any of its political subdivisions (except the Successor Agency), and none of the City, the County, the State or any of its political subdivisions (except the Successor Agency) is liable therefor. The Agency Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Security for the Bonds

Pledge Under the Indenture. Pursuant to the Indenture, the Revenues are pledged to the payment of the debt service on the Bonds, together with funds on deposit in the funds and accounts established by the Indenture. The Indenture defines "Revenues" to mean (a) all amounts payable by the Agency to the Authority or the Trustee pursuant to the Agency Bonds, other than (i) administrative fees and expenses and indemnity against claims payable to the Authority and the Trustee and (ii) arbitrage rebate amounts payable to the United States of America; (b) any proceeds of Bonds originally deposited with the Trustee and all moneys deposited and held from time to time by the Trustee in the funds and accounts established thereunder; (c) investment income with respect to any moneys held by the Trustee in funds and accounts established thereunder; and (d) any other investment income received under the Indenture. Upon a default of the Bonds, the Trustee may be paid its expenses from Revenues on a basis prior to the payment of debt service on the Bonds. See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS."

Subject to the provisions of the Indenture, the Bonds shall be secured by a first lien on and pledge of all of the Revenues and a pledge of all of the moneys in the Revenue Fund, the Interest Account and the Principal Account, including all amounts derived from the investment of such moneys. The Bonds shall be equally secured by a pledge, charge and lien upon the Revenues and such moneys without priority for number, date of Bonds, date of execution or date of delivery; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any thereof shall be and are secured by an exclusive pledge, charge and lien upon the Revenues and such moneys. So long as any of the Bonds are Outstanding, the Revenues and such moneys shall not be used for any other purpose; except that out of the Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by the Indenture.

The Authority transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the right, title and interest of the Authority in the Agency Bonds. The Trustee shall be entitled to and shall receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as

the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall, with the consent or at the direction of the Insurer and subject to the provisions of the Indenture, be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the Successor Agency under the Agency Bonds.

All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Revenue Fund" which the Trustee shall establish, maintain and hold in trust under the Indenture.

Three (3) Business Days prior to each Interest Payment Date, or as soon thereafter as the Trustee receives payments of debt service on the Agency Bonds, the Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Revenue Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

Interest Account. Not less than three (3) Business Days prior to each Interest Payment Date, or as soon thereafter as the Trustee receives payments of debt service on the Agency Bonds, the Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all Outstanding Bonds. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all Outstanding Bonds on the next succeeding Interest Payment Date. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity). All amounts on deposit in the Interest Account on the first day of any Bond Year, to the extent not required to pay any interest then having come due and payable on the Outstanding Bonds, shall be withdrawn therefrom by the Trustee and transferred to the Successor Agency to be used for any lawful purpose of the Successor Agency.

Principal Account. Not less than three (3) Business Days prior to each Interest Payment Date, or as soon thereafter as the Trustee receives debt service on the Successor Agency Bonds, on which the principal of the Bonds shall be payable, the Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such Interest Payment Date, or the redemption price of the Bonds required to be redeemed on such Interest Payment Date. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of (i) paying the principal of the Serial Bonds at the maturity thereof, (ii) paying the principal of the Term Bonds upon the mandatory sinking fund redemption thereof or upon the maturity thereof, or (iii) paying the redemption price of Bonds upon the redemption thereof. All amounts on deposit in the Principal Account on the first day of any Bond Year, to the extent not required to pay the principal of any Outstanding Bonds then having come due and payable, shall be withdrawn therefrom and transferred to the Successor Agency to be used for any lawful purpose of the Successor Agency.

Security for the Agency Bonds

Tax Revenues. The following is a discussion of the flow of funds under the Agency Bonds Indenture after payments of debt service for the entire year, plus any required replenishment of the reserve funds, is set aside.

Under the Agency Bonds Indenture, the Tax Revenues (as defined below) allocated and paid to the Agency are pledged to the payment of debt service on the Agency Bonds and Parity Debt (subject to the lien of the Pass-through Agreements) together with moneys in the funds and accounts. See Table 5 herein showing the projected Tax Revenues, and debt service coverage on the Agency Bonds. The Agency Bonds shall be also equally secured by the pledge and lien created with respect to the Agency 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.

“Tax Revenues” means, for each Fiscal Year, all moneys deposited in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Dissolution Act, excluding (i) amounts required under the Senior Bonds Indentures to make payments on the Senior Bonds but only to the extent such amounts are derived from tax increment revenues from the respective project areas that are pledged to secure such payments, (ii) amounts required to pay to otherwise provide for the Pass-Through Agreements, and (iii) amounts required to be paid to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law.

Tax Sharing Agreements and Statutory Tax Sharing. The Agency has entered into tax-sharing agreements with taxing entities and school districts with respect to the portions of the Project Area that were adopted prior to 1994 and described above (the “Pass-through Agreements”) which are senior to the payment of debt service on the Agency Bonds. Additionally the Successor Agency is subject to statutory pass-through obligations which are senior to the payment of debt service on the Agency Bonds. See “THE PROJECT AREAS – Pass-through Agreements,” “- Statutory Tax Sharing,” and APPENDIX A – “FISCAL CONSULTANT’S REPORT – Fiscal Agreements.”

Debt Service Fund. The Agency Bonds Indenture establishes a special trust fund known as the "Debt Service Fund" and the accounts therein which shall be held by the Trustee in accordance with the Agency Bonds Indenture. The Successor Agency shall deposit all of the Tax Revenues received in any Bond Year from the RPTTF in accordance with the Dissolution Act for the purpose of paying debt service on the Agency Bonds and any Parity Debt in the Redevelopment Obligation Retirement Fund immediately upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts therein to the Trustee for deposit in the Debt Service Fund established and held under the Agency Bonds Indenture until such time that the aggregate amounts on deposit in such Debt Service Fund equal the aggregate amounts required to be deposited into the Interest Account, the Principal Account and the Reserve Account in such Bond Year pursuant to the Agency Bonds Indenture and for deposit in such Bond Year in the funds and accounts established with respect to Parity Bonds, as provided in any Supplemental Indenture.

In the event that the amount of Tax Revenues is not sufficient to pay debt service on the Agency Bonds and any Parity Debt outstanding, any such insufficiency shall be allocated among the Agency Bonds and any Parity Debt on a pro rata basis (based on the amount of debt service coming due during any such period of insufficiency).

Moneys in the Debt Service Fund shall be transferred in the following amounts at the following times, in the following respective special accounts within the Debt Service Fund, which accounts are held by the Trustee to pay debt service on the Agency 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 Agency Bonds and any such Parity Debt becomes due and payable, the Trustee shall withdraw from the Debt Service Fund and transfer to 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 Agency Bonds and any such Parity Debt 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 Agency Bonds and any such Parity Debt. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Agency Bonds as it shall become due and payable (including accrued interest on any Agency Bonds and any such Parity Debt purchased or redeemed prior to maturity pursuant to the Indenture).

(b) **Principal Account.** On or before the fourth (4th) Business Day preceding each date on which principal of the Bonds and any such Parity Debt becomes due and payable at maturity, the

Trustee shall withdraw from the Debt Service Fund and transfer to the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Agency Bonds and any such Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Agency Bonds and any such Parity Debt upon the maturity thereof.

(c) Sinking Account. On or before the fourth (4th) Business Day preceding each date on which any Outstanding Agency Bonds become subject to mandatory Sinking Account redemption, the Successor Agency shall withdraw from the Debt Service Fund and transfer to the Trustee for deposit in the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the aggregate principal amount of the Agency Bonds required subject to mandatory Sinking Account redemption on such date. All moneys on deposit in the Sinking Account shall be used and withdrawn by the Trustee for the sole purpose of paying the principal of the Agency Bonds as it shall become due and payable upon the mandatory Sinking Account redemption thereof.

(d) Reserve Account. In the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Promptly upon receipt of any such notice, the Successor Agency shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. If there shall then not be sufficient Tax Revenues on deposit in the Redevelopment Obligation Retirement Fund to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Tax Revenues become available in the Redevelopment Obligation Retirement Fund until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account, the Principal Account and the Sinking Account in such order of priority, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before four (4) Business Days preceding each March 1 and September 1 by the Trustee and deposited in the Interest Account. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred either (i) to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to the Agency Indenture or, (ii) if the Successor Agency shall have caused to be transferred to the Trustee an amount sufficient to make the deposits required by the Agency Indenture, then, at the Written Request of the Successor Agency, such amount shall be transferred as directed by the Successor Agency.

The Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of securing separate series of Bonds or Parity Debt (to the extent secured by the Reserve Account) or for holding the proceeds of separate issues of the Bonds and any Parity Debt (to the extent secured by the Reserve Account) in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Additionally, the Successor Agency may, in its discretion, combine amounts on deposit in the Reserve Account and on deposit in any reserve account relating to any (but not necessarily all) Parity Debt in order to maintain a combined reserve account for the Bonds and any (but not necessarily all) Parity Debt.

The Reserve Requirement with respect to the Agency Bonds shall be satisfied by the delivery of the Reserve Policy, described below, to the Trustee. The Trustee shall credit the Reserve Policy to the Series 2014 Subaccount of the Reserve Account, which subaccount is created under the Agency Bonds Indenture. Under the terms and conditions of the Reserve Policy, the Trustee shall deliver to [the Insurer] a demand for payment under the Reserve Policy in the required form at least five Business Days before the date on which funds are required for the purposes set forth in the Agency Bonds

Indenture. The Trustee shall comply with all of the terms and provisions of the Reserve Policy for the purpose of assuring that funds are available thereunder when required for the purposes of the Reserve Account, within the limits of the coverage amount provided by the Reserve Policy. All amounts drawn by the Trustee under the Reserve Policy will be deposited into the Series 2014 Subaccount of the Reserve Account and applied for the purposes thereof.

(e) Redemption Account. On or before the Business Day preceding any date on which Bonds are subject to redemption, other than mandatory Sinking Account redemption of Agency Bonds, the Trustee shall withdraw from the Debt Service Fund for deposit in the Redemption Account an amount required to pay the principal of and premium, if any, on the Agency Bonds or other Parity Debt to be so redeemed on such date. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Successor Agency designated by the Successor Agency in writing to be deposited in the Redemption Account. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Agency Bonds or other Parity Debt upon the redemption thereof, on the date set for such redemption, other than mandatory Sinking Account redemption of Term Bonds.

(f) Equal Rights. It is the intention of the Successor Agency that the Agency Bonds and Parity Debt shall be secured by and payable from all moneys deposited in the Redevelopment Obligation Retirement Fund on an equal basis. To the extent that moneys deposited in the Redevelopment Obligation Retirement Fund are insufficient to pay debt service on the Agency Bonds and Parity Debt as it becomes due, the Agency Bonds and Parity Debt shall be payable on a pro-rata basis from all available moneys deposited in the Redevelopment Obligation Retirement Fund.

In the event that the Successor Agency fails to make the deposits required pursuant to (a), (b) or (c) above, the Trustee shall immediately notify the trustee for the Authority Bonds.

Reserve Requirement. The "Reserve Requirement" is defined in the Agency Bonds Indenture to mean the lesser of (i) Maximum Annual Debt Service with respect to the Agency Bonds or any Parity Debt, as applicable, or (ii) 125% of average Annual Debt Service on the Agency Bonds or Parity Debt, as applicable, provided, that in no event shall the Successor Agency, in connection with the issuance of Parity Debt pursuant to a Supplemental Indenture be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Tax Code, as defined in the Indenture, to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such additional Bonds, be increased only by the amount of such deposit as permitted by the Tax Code; and, 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 the Agency Bonds Indenture.

"Maximum Annual Debt Service" is defined in the Agency Bonds Indenture to mean, as of the date of calculation, the largest amount of Annual Debt Service for the current or any future Bond Year on the Agency Bonds or any Parity Debt. For purposes of such calculation, there is excluded a pro rata portion of each installment of principal of any Parity Debt, together with the interest to accrue thereon, in the event and to the extent that the proceeds of such Parity Debt are deposited in an escrow fund from which amounts may not be released to the Agency unless the applicable Tax Revenues for the current Fiscal Year (as evidenced in the written records of the County) plus Additional Revenues at least meets the coverage requirement for the issuance of Parity Debt.

If the Agency at any time in the future has cash on deposit in a Reserve Account, the Agency, with the consent of [the Insurer], has the right at any time to request the release of funds by the Trustee from such Reserve Account, in whole or in part, by tendering the following to the Trustee:

- (i) a Qualified Reserve Account Credit Instrument (as defined in APPENDIX D), and

(ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Bonds to become includable in gross income for purposes of federal income taxation.

Senior Qualified Reserve Account Credit Instruments. With respect to the Reserve Requirement attributable to outstanding Senior Bonds, the Former Agency has previously deposited with the Fiscal Agent Qualified Reserve Account Credit Instruments provided by MBIA Insurance Corporation (now National Public Finance Guarantee Corporation) in the stated amount of \$2,955,000 (with respect to the Merged Project Area 2007 Bonds).

The Qualified Reserve Account Credit Instruments or cash deposited with respect to Senior Bonds are not available to pay the Agency Bonds or the Bonds.

Rating agencies have downgraded or withdrawn the ratings on the claims-paying ability and financial strength of most of the nation's bond insurance companies, including the provider of the Qualified Reserve Account Credit Instruments described above. Further deterioration in the financial condition of the providers of the Qualified Reserve Account Credit Instruments or a failure to honor a draw by any provider under its Qualified Reserve Account Credit Instrument could occur. The Agency is not required under the Senior Bonds Indentures to replace a Qualified Reserve Account Credit Instrument with cash or a replacement instrument in the event the ratings of its provider decline or are withdrawn. The Agency currently has no plans to replace such Qualified Reserve Account Credit Instruments with other instruments or cash.

If circumstances should ever cause a Qualified Reserve Account Credit Instrument to be canceled or discharged, such cancellation or discharge could be determined to create a deficiency in the Reserve Requirement previously satisfied by such Qualified Reserve Account Credit Instrument. Under the Senior Bonds Indentures, in the event that the amount on deposit in the Reserve Account is less than the Reserve Requirement, the Agency is required to transfer to the Trustee an amount of available Tax Revenues sufficient to maintain the amount in the Reserve Account at the Reserve Requirement. Should the amount of Tax revenues then available to maintain the Reserve Account at the applicable Reserve Requirement be insufficient for such purpose, such insufficiency would not result in an event of default under the Senior Bonds Indentures, but the requirement of the Agency to transfer available Tax Revenues to the Trustee would continue. Such transfers would be senior to the payment of debt service on the Bonds and could cause an adverse impact on the Agency's ability to pay debt service on the Bonds.

Municipal Bond Debt Service Reserve Insurance Policy. [To Come]

Issuance of Additional Agency Parity Debt. The Agency will not incur any additional obligations which are senior to the lien of Tax Revenues under the Agency Bonds Indenture. In addition to the Series 2014 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; provided that (i) in the case of Parity Debt issued as additional Bonds under a Supplemental Indenture, the amount on deposit in the Reserve Account (and any subaccounts therein) shall be increased to the Reserve Requirement taking into account the additional Bonds to be issued, and (ii) in the case of Parity Debt not issued as additional Bonds under a Supplemental Indenture, the Parity Debt Instrument shall state whether there shall be a reserve account established with respect to such Parity Debt, and shall also set forth the amount, if any, to be deposited in such reserve account as well as the reserve requirement with respect to such Parity Debt. Further, principal with respect to such Parity Debt will be required to be paid on September 1 in any year in which such principal is payable.

Issuance of Agency Subordinate Debt. The Agency Bonds Indenture provides that the Agency may issue or incur Subordinate Debt in such principal amount as shall be determined by the Agency.

SUCCESSOR AGENCY TO THE CORONA REDEVELOPMENT AGENCY

The Agency

As described below, the Successor Agency was established by the City Council following dissolution of the Former Agency pursuant to the Dissolution Act. Set forth below is a discussion of the history of the Former Agency and the Successor Agency, the governance and operations of the Successor Agency and its powers under the Redevelopment Law and the Dissolution Act, and the limitations thereon.

General

The Agency was established pursuant to the Redevelopment Law and was activated by Ordinance No. 950 adopted by the City Council on July 6, 1964. The following August, the City Council appointed five local businessmen and residents of the community to serve as the governing body of the Agency. In November 1975, the City Council declared itself to be the governing body of the Agency, and, since that time, members of the City Council have served as both Council members and Agency members.

AB 26 and AB 27. As a result of AB 1X 26 and the decision of the California Supreme Court in the California Redevelopment Association case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies and also to satisfy “enforceable obligations” of the former redevelopment agency all under the supervision of a new oversight board, the State Department of the Finance and the State Controller. The establishment of the Successor Agency was approved by the City Council on January 11, 2012, by Resolution No. 2012-004.

The present members of the City Council acting as the Successor Agency are as follows:

Karen Spiegel, Chairperson
Eugene Montanez, Vice Chairperson
Dick Haley, Member
Jason Scott, Member

The Successor Agency is a component unit of the City for financial reporting purposes and does not have separate audited financial statements. The audited financial statements of the City for year ending June 30, 2014, are included herein as Appendix C.

Agency Staff

The City Manager also serves as the Executive Director of the Successor Agency. The City Finance Director maintains the Successor Agency’s financial records and serves as the Successor Agency’s Treasurer. The City Attorney also serves as the Successor Agency’s counsel. Brief résumés of the key staff at the City and Successor Agency are set forth below:

Bradly Robbins is the City Manager of the City. Mr. Robbins was appointed City Manager in August 2008 and has worked for the City since 1988. Mr. Robbins previously served as Planning Director from 2000 to 2002 and Assistant City Manager from 2002 to 2008. Mr. Robbins has a Bachelor of Science degree in geography from the University of California and a Master’s degree in Liberal Studies/Urban Planning from the University of Oklahoma. He is a Certified Planner by the American Institute of Certified Planners and a Certified Building Inspector by the International Conference of Building Officials.

Kerry Eden is the Finance Director of the City. Ms. Eden was appointed Finance Director in February 2012. She has been with the City since 1996, beginning in the Finance Department as an accountant. In 2006, Ms. Eden was appointed Assistant General Manager of DWP with responsibility for finance and operations. She has a Bachelor’s degree and a Master’s degree in Business Management and Management, respectively, from the University of Redlands.

Pursuant to Sections 34171(j) and 34173 of the Dissolution Act, the City Council appointed itself as successor to the Former Agency. On June 27, 2012, the Redevelopment Law was amended by AB 1484, which clarified that successor agencies are separate political entities and that the successor agency succeeds to the organizational status of the former redevelopment agency but without any legal authority to participate in redevelopment activities except to complete the work related to an approved enforceable obligation.

As discussed below, many actions of the Successor Agency are subject to approval by an “oversight board” and the review or approval by the State Department of Finance, including the issuance of bonds such as the Agency Bonds.

Oversight Board

The Oversight Board was formed pursuant to Establishing Resolution adopted by the City Council. The Oversight Board is governed by a seven-member governing board, with two members appointed by the County, two members appointed by the City, one member appointed by Corona-Norco Unified School District, one member appointed by Riverside Community College District, and one member appointed by Riverside County Flood Control and Water Conservation District.

The issuance of bonds, such as the Agency Bonds, is subject to the approval of the Oversight Board. All actions of the Oversight Board are subject to review by the California State Department of Finance (the “State Department of Finance” or the “DOF”). Certain Successor Agency matters are also subject to review by the County Auditor-Controller and the State Controller.

The Dissolution Act provides that, starting July 1, 2016, the current Oversight Board will be replaced, such that there will be only one oversight board for all of the successor agencies in the County. The Board will be comprised of seven members to be appointed to represent the different categories of taxing entities, the public and employees of successor agencies.

Department of Finance Finding of Completion

Pursuant to the Dissolution Act, the Successor Agency was required to retain independent accountants to conduct two reviews, known as due diligence reviews (each, a “DDR”): one for the Low and Moderate Income Housing Fund (the “Housing Fund”) and the other for all of the other funds and accounts (the “Other Funds”). The purpose of the DDRs was to determine the unobligated balance (the “Unobligated Balance”), if any, of the Housing Fund and the Other Funds, as of June 30, 2012, so that such Unobligated Balance would be distributed to the taxing agencies. Pursuant to the general procedure for determining the Unobligated Balance set forth in the Dissolution Act, legally restricted funds (including bond proceeds), value of assets that are not cash or cash equivalents (such as land and equipment) and amounts that are needed to satisfy obligations listed an approved ROPS were excluded from the Unobligated Balance. The Successor Agency has remitted such sums to the County Auditor-Controller on January 7, 2013 with respect to housing funds and March 26, 2013, with respect to all other unobligated balances.

Because the Successor Agency has made the remittances required by the DOF’s final determination concerning the DDRs, as well as certain other amounts previously required to be remitted pursuant to the Dissolution Act, the DOF issued a “Finding of Completion” to the Successor Agency on April 8, 2013. Upon receipt of such Finding of Completion, the Successor Agency is authorized to proceed with actions permitted under certain provisions of the Dissolution Act, such as the submission of a Long Range Property Management Plan relating to the disposition of Agency-owned real properties. The Successor Agency submitted its Long Range Property Management Plan to DOF on July 10, 2014. Currently, there are no material disagreements between the Successor Agency and the County Auditor Controller’s Office or the State Department of Finance.

State Controller Asset Transfer Review

The Dissolution Act requires that any asset of a former redevelopment agency transferred to a city, county or other local agency after January 1, 2011, be sent back to the successor agency. The State Controller

THE REDEVELOPMENT PROJECTS

The Redevelopment Plans

In 1964, the City of Corona City Council established the Redevelopment Agency of the City of Corona and initiated efforts for major urban revitalization. The Agency adopted its first redevelopment plan in January 1966 for the Downtown Project Area which consisted of approximately 28 acres by Ordinance No. 1004. The Project Area was subsequently amended by Ordinance No. 1819 on December 17, 1986, by Ordinance No. 2217 on August 17, 1994 and by Ordinance No. 2356 on July 1, 1998.

The Redevelopment Plan for the original Redevelopment Project Area "A" was adopted by Ordinance No. 1546 on July 18, 1979. It was subsequently amended by Ordinance No. 1748 on November 21, 1984, Ordinance No. 1801 on June 4, 1986, Ordinance No. 1926 on April 19, 1989, Ordinance No. 2056 on June 19, 1991, Ordinance No. 2162 on June 2, 1993, Ordinance No. 2215 on August 17, 1994 and Ordinance No. 2356 on July 1, 1998.

On July 1, 1998, the City Council by Ordinance No. 2356, approved the merger of the Downtown Project Area with Project Area "A" and added 648 acres to Project Area "A" to create the Amended and Restated Redevelopment Plan for the Merged Downtown and Amended Project Area "A," which is collectively referred to herein as the "Project Area." The Redevelopment Plan was further amended on September 17, 2003 by Ordinance No. 2671 to eliminate the time limit to incur debt for the entire Project Area. On October 1, 2003, the City Council by Ordinance 2675 amended the Redevelopment Plan further to reinstate the Agency's right to use eminent domain to acquire properties for 12 years from the date of adoption of Ordinance 2675 in the territory encompassing Amendment Nos. I, II and IV of the Project Area. The Agency had approval on additional sub-area (Area A – Amendment IX), however, this area does not generate tax increment and is not described further. The "Redevelopment Plan" as referred to herein includes each of the foregoing plans and amendments. On July 5, 2000, the Agency approved the Temescal Canyon area by Ordinance no. 2463. The Merged Redevelopment Project and the Temescal Canyon Project Area all referred to herein as the Project Areas, See "THE PROJECT AREAS," herein.

The Project Areas

The Merged Project

The Project Area consists of the original Corona Downtown Project Area, the original Project Area "A" and Amendments I, II, IV and VII to Project Area "A." The Redevelopment Plan for the Corona Downtown Project Area was adopted on January 19, 1966 by Ordinance No. 10045. The Redevelopment Plan for the original Project Area A was adopted on July 18, 1979 by Ordinance No. 1546 and was subsequently amended to add additional territory by: (i) Amendment I adopted on November 21, 1984 by Ordinance No. 1748; (ii) Amendment II adopted on June 4, 1986 by Ordinance No. 1801; (iii) Amendment IV adopted on June 19, 1991 by Ordinance No. 2056; and (iv) Amendment VII adopted on July 1, 1998 by Ordinance No. 2356. The Downtown Project Area and Project Area "A" were merged in 1998 and became the Merged Downtown and Amended Project Area "A" which is referred to herein as the "Merged Project Area."

The Project Area encompasses an irregularly bounded area of approximately 2,956 acres and is located in the north central part of the City along several major traffic corridors such as the 91 Freeway and Interstate 15 Freeway, west and east Sixth Street, north and south Main Street, southwest and northeast Magnolia Avenue, and northwest and southwest River Road.

A general description of each of the components of the Project Area is as follows:

Downtown Project Area. The Downtown Project Area is made up of 28.1 acres and is located between Third Street (northern boundary) to Eighth Street (southern boundary) to Main Street (westerly boundary) to Ramona Avenue (easterly boundary).

Original Project Area A. The Original Project Area A encompasses 1,641 acres of land. The purpose of the project area adoption was to finance and construct the Temescal Flood Control Channel.

Amendment I. The territory within Amendment No. I comprises 121 acres. The purpose of the amendment was to build the Lincoln Street railroad over crossing to create a buildable site for the Golden Cheese Company processing plant.

Amendment II. The territory within Amendment No. II comprises 300 acres along west Sixth Street and Pomona-Rincon Road (now Auto Center Drive) and was intended to provide for the development of auto dealerships, the Plaza on Sixth Street and the West End Pavilion.

Amendment IV. The territory within Amendment No. IV comprises 414 acres. This amendment was undertaken to add area potentially to expand the auto center, to develop a regional mall and other revitalization projects.

Amendment VII. The territory within Amendment No. VII comprises 648 acres, (40 acres at the northern city limits and 608 acres in the downtown area) to the Project Area.

Temescal Canyon Project Area

The Temescal Canyon Project Area is comprised of approximately 437 acres immediately east of Interstate 15 about 5 miles south of the 91 Freeway and is bisected by Temescal Canyon Road, north south arterial. The Project Area is located within the 542-acre Dos Lagos Specific Plan area except for approximately 30 acres of property which is in the Temescal Canyon Project Area but not within the boundaries of the Dos Lagos Specific Plan area. Property within the Temescal Canyon Project Area is developed as commercial retail space, with a multiplex movie theater. There are approximately 288,400 square feet of retail shops and restaurants, 62,800 square feet of theater space and 120,000 square feet of office space. Current and planned development includes high density apartment complexes, 100,000 sqft of new office space, hotel space and retail.

Pass-Through Agreements

Under redevelopment law existing at the time of the Agency's plan adoption, taxing jurisdictions that would experience a fiscal burden due to the existence of the redevelopment plan could enter into fiscal agreements with redevelopment agencies to alleviate that burden. Such agreements, known as Section 33401 fiscal, or pass-through, agreements, generally provide for redevelopment agencies to pay to a taxing entity some or all of that entity's share of the tax increment received by the agency. Taxing entities could separately receive their share of the growth in valuation due to inflation, known as Section 33676 or the 2% payments.

The Agency has a number of pass-through agreements with taxing agencies within the Merged Project Area, including the County of Riverside, the Riverside County Flood Control and Water Conservation District, the Corona-Norco Unified School District, the Riverside-Corona Resource Conservation district, the Home gardens Sanitary District, the Riverside City Community College District, the County Superintendent of Schools, and the Northwest Mosquito Abatement District. The Temescal Canyon Project Area was formed in 2000 and is subject only to statutory pass-through payments. The descriptions of the pass-through agreements below contain only a summary of the Agency's obligations under the respective pass-through agreements.

Corona-Norco Unified School District. On June 18, 1991, the Agency and the Corona-Norco Unified School District (the "School District") entered into an agreement which provides in part that:

(1) The School District receives 40.625% of the tax increment revenues from the territory added to the Project Area by Amendment No. 4 and Amendment No. 2 to the Redevelopment Plan.

(2) The tax increment revenues received by the School District are calculated after deduction of funds required to be set aside for the purposes of low and moderate income housing.

Riverside-Corona Resource Conservation District. On August 26, 1991, the Agency and the Riverside-Corona Conservation District (the "Conservation District") entered into an agreement which provides in part that:

(1) The Conservation District receives 100% of the total of tax increment revenues which would have been allocated to the Conservation District for that territory added by Amendment No. 4 had Amendment No. 4 not been adopted.

(2) The tax increment revenues received by the Conservation District are calculated after deduction of funds required to be set aside for the purposes of low- and moderate-income housing.

Home Garden Sanitary District. On June 18, 1991, the Agency and the Home Garden Sanitary District (the "Sanitary District") entered into an agreement which provides in part that:

(1) The Sanitary District receives 100% of the tax increment revenues which would have been allocated to the Sanitary District for the territory added by Amendment No. 4 had Amendment No. 4 not been adopted.

(2) The tax increment revenues received by the Sanitary District are calculated after deduction of funds required to be set aside for the purposes of low- and moderate-income housing.

Northwest Mosquito Abatement District. On July 15, 1991, the Agency and the Northwest Mosquito Abatement District (the "Abatement District") entered into an agreement which provides in part that:

(1) The Abatement District receives 100% of the tax increment revenues which would have been allocated to the Abatement District for the Territory added by Amendment No. 4 had Amendment No. 4 not been adopted.

(2) The tax increment revenues received by the Abatement District are calculated after deduction of funds required to be set aside for the purposes of low- and moderate-income housing.

Riverside County Superintendent of Schools. On July 22, 1992, the Agency and the Riverside County Superintendent of Schools ("Superintendent") entered into an agreement which provides in part that:

(1) The Superintendent receives 43.75% of the tax increment revenues for the area subject to Amendment No. 1, Amendment No. 2 and Amendment No. 4 to the Redevelopment Plan which would have been allocated to the Superintendent had Amendment No. 1, Amendment No. 2 and Amendment No. 4 not been adopted.

(2) The tax increment revenues received by the Superintendent are calculated after deduction of funds required to be set aside for the purposes of low- and moderate-income housing.

Riverside City Community College District. On September 10, 1991, the Agency and the Riverside Community College District ("RCC") entered into an agreement which provides in part that:

(1) RCC receives 30% of the tax increment revenues which would have been allocated to RCC for that territory added by Amendment No. 4 had Amendment No. 4 not been adopted.

(2) The tax increment revenues received by RCC are calculated after deduction of funds required to be set aside for low- and moderate-income housing.

Riverside County. On September 21, 1993, the Agency and the County of Riverside (the "County") entered into an agreement which provides in part that:

(1) The County will receive the tax increment revenues which would have been paid to the County had the Redevelopment Plan for Project Area A, as amended by Amendments 1, 2, 4, and 5 not been adopted (the "County Share") in the following percentages:

(a) For those years following the execution of the agreement and in which the aggregate amount of the County's Share of tax increment revenues received from Project Area A, as amended by Amendments 1, 2, 4, and 5, which were retained by the Agency and not paid to the County ("Cumulative County Contribution") is less than \$20,000,000, 50% of the County Share;

(b) For each year following the execution of the agreement and in which the Cumulative County Contribution is greater than \$20,000,000 but less than \$25,000,000, 75% of that year's County Share; but in the first year in which the County's Share is greater than \$20,000,000, the County gets 50% of the difference between the Cumulative County Contribution in the previous year and \$19,999,999 and 75% of the difference between \$20,000,000 and the total Cumulative County Contribution at the end of that year.

(c) For each year following the execution of the agreement and after that year in which the Cumulative County Contribution first exceeds \$25,000,000, 100% of the County Share;

(d) For the first year following the year in which the Cumulative County Contribution first exceeds \$25,000,000 and for 9 succeeding years, Agency will pay County \$500,000 each year until a total of \$5,000,000 has been repaid to the County to reimburse the County for the Cumulative County Contribution previously advanced to the Agency.

(2) The Agency's obligations set forth above are subordinate to any Agency pledge of all or any portion of the tax increment revenues that might otherwise be payable to the County under the agreement which pledge secures repayment of Agency bonded indebtedness.

(3) The Agency's payment obligations set forth above will be made solely from that portion of tax increment revenues from the applicable portions of Project Area after deduction of amounts of tax increment revenues which the California Legislature may from time-to-time require that the Agency allocate to satisfy funding obligations imposed by the State, but before deduction of the sum the Agency is required to set aside for

the purposes of low- and moderate-income housing. See caption "THE PROJECT AREA—Projected Tax Revenues" and APPENDIX B—"FISCAL CONSULTANT REPORT" herein.

Riverside County Flood Control District. On February 13, 1985, the Agency and the Riverside County Flood Control and Water Conservation District (the "Flood Control District") entered into an agreement which provides in part that, for the original area of the Redevelopment Plan and the area added by Amendment No. 1, the Agency will receive 100% of the tax increment revenues for such area up to a total of \$3,728,000. The Agency has received the full amount of tax increment moneys under this agreement. Accordingly, pursuant to the agreement, the Flood Control District receives 100% of its share of tax increment revenues. The agreement is silent as to whether these payments to the Flood Control District constitute a pledge of tax increment revenues or are subordinate to the Agency's bonded indebtedness.

On December 29, 1993, the Agency and the Flood Control District entered into an agreement which provides in part that:

(1) The Flood Control District will receive 62.5% of the tax increment revenues for the area added by Amendment No. 2 and Amendment No. 4 to the Redevelopment Plan which would have accrued to the Flood Control District had Amendment No. 2, Amendment No. 4 and Amendment No. 5 not been adopted.

(2) The tax increment revenues received by the Flood Control District will be calculated after deduction of amounts of tax increment revenues from the applicable portions of the Project Area which the California Legislature may from time-to-time require that the Agency allocate to satisfy funding obligations imposed by the State and any funds required to be set aside for purposes of low- and moderate-income housing.

(3) The Agency's obligations are subordinate to any Agency pledge of all or any portion of the Tax Increment Revenues that might otherwise be payable to the Flood Control District under the agreement which pledge secures repayment of Agency bonded indebtedness so long as notice has been provided to the Flood Control District demonstrating that the size of future bonded indebtedness leaves funds available to pay the Flood Control District.

On March 1, 2005, the Agency and the Flood Control District entered into a Settlement and Release Agreement which provides in part that the Agency will pay an amount equal to \$1,300,835 in seven annual payments of \$185,833.50 plus interest with the first payment due within thirty (30) days of June 30, 2005 and all unpaid principal and interest due and payable on July 31, 2011.

Statutory Tax Sharing

In addition, certain sub-areas of the Project Areas are subject to the tax sharing provisions of AB 1290. Under Section 33607.5 and Section 33607.7 of the Law (added by AB 1290), any territory added to a project area after 1994 is required to share in tax increment revenues generated by such territory pursuant to a statutory formula ("Statutory Tax Sharing"). See APPENDIX A – "Fiscal Consultant's Report – Fiscal Agreements" for a description of the Agency's obligation to make statutory tax sharing payments.

The initial statutory payments are a percentage of tax increment received by the Agency. For payments under tiers two and three, payments derive from future base levels of assessed valuation. Under redevelopment law, the initial base year for the tier two payments was set in the tenth year in which the Agency received tax increment payments or, for the older amended plans, the tenth year after the earliest amended fiscal limit is reached.

The payments are limited to fixed percentages of those increases (25% of tier one increases, 21% of tier two increases and 14% of tier three increases; all percentages are calculated on tax increment after the deposits of 20% of tax increment to the Housing Fund formerly required by the Community Redevelopment Law).

Area A – Amendment VII and the Temescal Canyon Project were formed after adoption of AB1290 and have been subject to statutory pass-throughs since their formation.

On September 17, 2003, the Agency amended the Merged Downtown and Amended Area A Redevelopment Plan with Ordinance 2671 to change the last dates to incur indebtedness in the six sub-areas within that Plan: the Downtown, Area A – Original, Area A – Amendment I, Area A – Amendment II, Area A – Amendment IV and Area A – Amendment VII sub-areas. In the five sub-areas that had been adopted prior to the AB1290 legislation effective January 1, 1994, the amendment triggered statutory pass-through payments for taxing entities that did not already have contractual tax-sharing agreements. The sixth sub-area, Area A – Amendment VII, was subject to statutory pass-throughs since its adoption. The Main Street South sub-area was not included in the Merged Downtown and Amended Area A Redevelopment Plan; its last date to incur indebtedness did not change.

The statutory pass-through payments in these five pre-AB1290 sub-areas begin in the fiscal year after the year in which the original limitation on incurring indebtedness would have taken effect; these years were FY 2003-04 for the Downtown and Area A – Original sub-areas, FY 2004-05 for the Area A – Amendment I sub-area, FY 2005-06 for the Area A – Amendment II sub-area and FY 2010-11 for the Area A – Amendment IV sub-area. The statutory pass-through payments are based on increases in tax increment over a base established in the year the original limitation would have taken effect. New thresholds are established ten and thirty years beyond the initial threshold date and a portion of tax increment above these new thresholds are also paid to taxing entities.

Tax increment above these threshold amounts is distributed to those taxing entities that do not have existing Section 33401 fiscal agreements in effect with the Agency in a sub-area. This varies by sub-area, with all taxing entities being entitled to statutory pass-through payments in the Downtown sub-area and only the City of Corona, Riverside County Regional Parks District and the Western Municipal Water District eligible for statutory pass-through payments in the Area A – Amendment IV sub-area, as the remaining taxing entities in that sub-area have existing fiscal agreements. The taxing entities are shown in the Fiscal Consultant’s Report attached hereto as APPENDIX A, together with the average share each entity received in each sub-area and an indicator of whether the entity receives pass-through payments under a fiscal agreement in each sub-area. See APPENDIX A – “FISCAL CONSULTANT’S REPORT.”

Projections used in the Fiscal Consultant’s Report incorporate the pass-through payments made under the AB1290 Statutory Tax Sharing provisions as well as under the pass-through agreements.

The Agency has not taken any action under the Dissolution Act to subordinate the statutory tax sharing payments.

Developer Agreements

The Agency has other material agreements with third parties other than the City which call for significant payments, although none require payments having a claim on Tax Revenues senior to the Agency Bonds. The Agency has entered into two owner participation agreements (each, an “OPA”), one disposition and development agreement (a “DDA”), and two loan agreements (each, a “Loan Agreement”) to facilitate the redevelopment of certain parcels within the Merged Project Area. Each of the OPAs, the DDA, and the Loan Agreements require the Agency to make annual payments (or, in the case of one Loan Agreement, one lump sum payment) to the owner or developer of the property in question. A summary of these agreements follows.

Corona Main Place. The Agency entered into a DDA dated as of April 19, 2000 with Corona Main Place I LLC to facilitate the development of a professional office building in the Project Area. Under the terms of the DDA, the Agency was required to pay all costs associated with assembling the parcels not owned by Corona Main Place I LLC at the time of the DDA and to pay Corona Main Place I LLC annually a portion of the property tax increment received by the Agency and attributable to the development (up to \$1,000,000). The Agency has made all required payments required for land assemblage. The annual payments pursuant to the DDA are calculated based on the tax increment revenue generated by increases in assessed value of the development parcels above the 1999/00 value of those parcels (net of the low and moderate income housing fund deposits, taxing agency payments, and any revenue pledged to the repayment of prior bond indebtedness). The Agency has provided Corona Main Place I LLC with the notice required to subordinate the payments to

debt service and Corona Main Place I LLC has provided its written consent to such subordination. Accordingly, the Agency treats these payments as subordinate to the debt service on the Bonds.

Corona Pointe. The Agency entered into an OPA with Rexco Magnolia LLC dated September 18, 2002 to facilitate the development of a mixed use commercial, hotel, office, and light industrial project. Under the terms of the OPA, as amended on October 31, 2002 and again on May 16, 2007, the Agency is obligated to make annual payments to Rexco Magnolia LLC equal to 50% of the gross tax increment revenue generated by increases in assessed value of the development parcels above the project's base value, net of any pledge by the Agency for repayment of prior bond indebtedness unless the Agency provides Rexco Magnolia LLC with statement from the Agency's certified independent financial advisor demonstrating that the Agency's incurring of such bonded indebtedness will not materially impair the Agency's ability to meet its obligations under the OPA. In addition, the Agency was required to make an initial \$500,000 payment and is required to pay \$40,000 per year for ten years beginning in 2003 to reimburse Rexco Magnolia LLC for its cost to construct certain public improvements required for the project. Total payments pursuant to this OPA will not exceed \$6.0 million. The Agency treats these payments as subordinate to the debt service on the Bonds.]

Corona North Main 750. The Agency entered into an OPA with Corona North Main Development, LP dated January 18, 2011, for the continued improvement of North Main Street between Rancon and Blaine Streets. The Agency is obligated to pay up to: 1) \$3,950,342 for Phase I Improvements; 2) up to \$2,172,066 for Phase II Improvements; and 3) up to \$522,681 for Phase III Improvements. Such payments are from 60% of Net Tax Increment (based upon the site) and shall accrue interest at a rate of 6% per annum. The Agency treats these payments as subordinate to the payment of debt service on the Bonds.

Dos Lagos Development. The Agency entered into an Implementation Agreement for the Temescal Canyon/Dos Lagos Project Restated Owner Participation Agreement (the "Dos Lagos OPA"), dated August 5, 2012, with Griffco Land, LLC. The Dos Lagos OPA provides for a pledge of tax increment equal to \$2.5 million annually for a period expiring on June 30, 2032, to be applied either toward debt service on tax allocation bonds of the Agency or as an offset of the escalating special taxes levied by Community Facilities District No. 2002-1 of the City of Corona (Dos Lagos) ("CFD") and payment of a portion of the debt service on the CFD bonds that were issued in support of the Dos Lagos Project. The Dos Lagos OPA defines Yearly Gross Eligible Tax Increment to be the tax increment generated by increases in the assessed value in the Project Area over the 1999/00 tax year. It defined Yearly Net Eligible Tax Increment to be Yearly Gross Eligible Tax Increment less (a) amounts paid to other taxing agencies pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law and (b) a pro rata share of the Successor Agency administrative costs permitted under the Dissolution Act, as calculated in the Dos Lagos OPA. Pursuant to the OPA, the pledge of tax increment to the Master Developer and to debt service on any CFD bonds is expressly subordinate to the pledge of Tax Revenues to the Bonds. Debt service on the Bonds counts against the \$2.5 million of tax increment pledged pursuant to the Dos Lagos OPA the remaining amount is used to pay the CFD bonds and to reimburse the current owner for the costs of installation of public facilities within the Temescal Canyon Project Area.

Sky Park Corona, LLC. The Agency has entered into a OPA with Sky Park Corona, LLC, dated October 20, 2010, pursuant to which the Agency has agreed to contribute 50% of the Net Tax Increment based on the portions of the site retained by the developer, up to the actual costs of construction of public facilities, an amount of 20% of the Net Tax Increment of the property subdivided and sold up to the costs of construction of the public improvements installed by the developer, and 50% of the Net Tax Increment from the property subdivided and sold provided a building permit has been issued by December 31, 2015.

Ten Largest Assesseees

Table 1 sets forth the ten largest assesseees in the Project Area whose property in the aggregate comprises approximately 15.97% of the total taxable value in the Project Area.

TABLE 1
Successor Agency to the
Redevelopment Agency of the City of Corona
Corona Redevelopment Projects
Ten Largest Fiscal Year 2014-15 Assesseees

<u>Property Owner</u>	<u>Secured and Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>Pct. of Total</u>	<u>Land Use</u>
WATSON LABORATORIES INC *	\$ 86,115,846	-	\$ 86,115,846	2.99%	Industrial
ARTISAN AT MAIN STREET METRO	63,059,997	-	63,059,997	2.19%	Apartments
REXCO MAGNOLIA *	55,356,212	-	55,356,212	1.92%	Industrial
DOS LAGOS CRN *	48,881,236	-	48,881,236	1.70%	Retail
AVALON CALIF VALUE VI *	43,200,949	-	43,200,949	1.50%	Apartments
UHS CORONA INC	41,256,907	\$ 225,858	41,482,765	1.44%	Hospital
DAIRY FARMERS OF AMERICA INC	35,606,932	-	35,606,932	1.23%	Industrial
DOS LAGOS OFFICE	34,627,118	-	34,627,118	1.20%	Office
ASEPTIC SOLUTIONS USA VENTURES LLC	-	27,136,968	27,136,968	0.94%	Industrial
TR CORONA COMMERCE CENTER	24,990,000	-	24,990,000	0.87%	Industrial
Total, Top Ten:	\$ 433,095,197	\$ 27,362,826	\$ 460,458,023	15.97%	
Total, Top Twenty:	\$ 603,315,073	\$ 44,865,690	\$ 648,180,763	22.48%	
Total, Top Hundred:	\$1,208,592,347	\$ 111,621,777	\$1,320,214,124	45.78%	
Totals for the Area:	\$2,578,837,207	\$ 304,900,393	\$2,883,737,600	100.00%	

⁽¹⁾ Owner has appeals pending.

Source: Riverside County Office of the Assessor; Urban Analytics.

The Watson Laboratories property is an industrial facility in the Area A, Amendment IV sub-area owned by Actavis, a pharmaceutical company. Two apartment complexes are included among the largest owners: Artisan at Main Street Metro is an apartment complex located on Rincon Street in the Area A sub-area managed by Greystar, while Avalon Calif Value VI, managed by Avalon Communities, is an apartment complex located on Hotspring Street also in the Area A sub-area.

The Rexco Magnolia property is a corporate office park consisting of 17 properties located near Interstate 15 and the 91 freeway in the Area A sub-area. Dos Lagos CRN is the Shops at Dos Lagos shopping center on Cabot Street in the Temescal Canyon sub-area. UHS Corona is the Corona Regional Medical Center, owned by Universal Health Services and located on South Main Street in the Area A, Amendment VII sub-area. Dairy Farmers of America is a dairy cooperative on West Rincon Street in the Area A, Amendment I sub-area. The Dos Lagos Office is an office park consisting of four properties on Temescal Canyon Road in the Temescal Canyon sub-area. Aseptic Solutions USA Ventures, a beverage production facility, is located on Alcoa Circle in the Area A, Amendment I sub-area; it is an unsecured property on land owned by Alcoa Corona. TR Corona Commerce Center is an industrial facility on Railroad Street in the Area A, Amendment I sub-area.

Property Tax Delinquencies

As of July 17, 2013, the delinquency rate on FY 2012-13 secured property taxes in the Project Area was 0.7%. For FY 2011-12 secured property taxes the delinquency rate had been 2.0% on September 19, 2012 while the FY 2010-11 secured property taxes posted a delinquency rate of 1.0% as of September 30, 2011. As noted previously, 100% of the Successor Agency's tax increments are paid by the County and are consequently not affected by tax delinquencies.

The County utilizes a mechanism for the distribution of tax increment revenue to the former redevelopment agencies that has a similar effect on the Agency's tax increment revenues as the device known as the Teeter Plan (Section 4701 et seq. of the California Revenue and Taxation Code). The Teeter Plan allows counties to distribute secured property tax revenue to participating jurisdictions without regard to delinquencies by maintaining a reserve fund to cover delinquencies and allocating revenue based on the original secured roll,

retaining all delinquent tax payments and penalties. Under the mechanism used by the County to distribute tax increment revenue to the former redevelopment agencies, the County pays one-half of the taxes from the net taxable assessed valuation appearing on the equalized roll to each agency's RPTTF on January 2 and the other one-half on June 1; delinquencies are not deducted from the RPTTF revenue, and delinquent tax payments and defaulted tax redemptions, penalties and interest are not added to RPTTF revenue. Consequently, the Agency is not affected by delinquent tax payments. The overall delinquency rate for the 2012-13 fiscal year for all secured properties in the Project Area was 0.7% as of July 17, 2013.

Property Value by Land Use

Table 2 sets forth the distribution of property value located in the Project Area by principal purpose for which the land is used.

TABLE 2
Successor Agency to the
Redevelopment Agency of the City of Corona
Corona Redevelopment Projects
Secure Property Value by Land Use⁽¹⁾
Fiscal Year 2014-15

<u>Land Use</u>	<u>Secured AV</u>	<u>Pct of AV</u>	<u>Number of Parcels</u>	<u>Pct of Parcels</u>	<u>Acres</u>	<u>Pct of Acres</u>
Commercial	\$ 802,821,012	31.1%	641	13.5%	713	23.5%
Industrial	793,740,285	30.8%	216	4.6%	630	20.7%
Single-Family Residential	473,233,504	18.4%	2,029	42.8%	163	5.4%
Condominiums	177,106,089	6.9%	775	16.4%	12	0.4%
Other Residential	237,251,230	9.2%	394	8.3%	481	15.8%
Vacant	87,387,320	3.4%	533	11.2%	738	24.3%
Other	<u>7,222,780</u>	<u>0.3%</u>	<u>151</u>	<u>3.2%</u>	<u>304</u>	<u>10.0%</u>
Total	\$2,578,762,220	100.0%	4,739	100.0%	3,041	100.0%

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

Source: Riverside County Assessor; Urban Analytics.

Plan Limitations

The Project Areas include the sub-areas within the Merged Project Area (Area A – Original, Area A – Amendment I, Area A – Amendment II, Area A – Amendment IV, Downtown and Main Street South) as well as the Temescal Canyon Project Area. As noted previously, the Merged Project Area has an additional sub-area (Area A – Amendment IX) that does not generate tax increment and is not included in this analysis.

The sub-areas that comprise the Project Areas were adopted at various times, as shown in Table 3. The Merged Project Area contains a limit of \$1 billion, increased annually by the Consumer Price Index, on the amount of tax increment, less pass-through payments, that may be collected from the Area A – Original, Area A – Amendment I, Area A – Amendment II, Area A – Amendment IV, Downtown and Main Street sub-areas of the Merged Project Area. Table 3 also presents a volatility ratio, the proportion of total assessed valuation accounted for by the base year valuation, which reflects the degree of exposure of tax increment to changes in total valuation. A high volatility ratio indicates that a small percentage change in overall assessed valuation would cause a disproportionately large percentage change in tax increment, while a low volatility ratio suggests that a percentage change in overall assessed valuation would cause a similar percentage change in tax increment.

TABLE 3
Successor Agency to the
Redevelopment Agency of the City of Corona
Corona Redevelopment Projects
The Project Areas and Constituent Sub-Areas
Plan Limitations

Sub-Area	Date of Adoption	Ordinance Number	Termination of Plan Activities	Last Date to Incur Indebtedness	Last Date to Repay Indebtedness	Tax Increment Limit (Millions)	Bonded Debt Limit (Millions)	Acreeage	Volatility Ratio
Downtown	1/19/66	1004	7/1/19	7/1/16	7/1/29	\$1,000	\$600,000	19.1	0.10
Area A - Original	7/18/79	1546	7/18/22	7/18/19	7/18/32			1,108.1	0.04
Area A - Amendment I	11/7/84	1748	11/7/27	11/7/24	11/7/37			113.6	0.09
Area A - Amendment II	6/4/86	1801	6/4/28	6/6/26	6/4/38			189.4	0.16
Area A - Amendment IV	6/19/91	2056	6/19/32	6/19/31	6/19/42			546.0	0.06
Main Street South	7/15/92	2125	7/15/33	7/15/12	7/15/43			57.5	0.14
Area A - Amendment VII	6/17/98	2356	7/1/29	6/17/28	7/1/44			587.9	0.48
Temescal Canyon	7/5/00	2463	7/5/30	7/5/20	7/5/45			419.4	0.02

Notes: There is an additional sub-area, Area A - Amendment IX, adopted 12/3/2008 under Ordinance 2955; it generates no tax increment as the assessed valuation of that sub-area is less than its base year valuation and is consequently not included in this analysis. A project area adopted by the Agency as the Corona Redevelopment Zone was subsequently rejected by the State Board of Equalization. The Agency has extended the Termination of Plan Activities and the Last Date to Repay Indebtedness for certain sub-areas as permitted under SB1045 and SB1096; the dates shown reflect these extensions. The Agency adopted an amendment (Ordinance 2671) extending the Last Date to Incur Indebtedness under SB211 on 9/17/2003 for the Downtown, Area A-Original, Area A - Amendment I, Area A - Amendment II, Area A - Amendment IV and Area A - Amendment VII sub-areas; this triggered statutory pass-throughs to all taxing entities in these areas who did not already receive contractual pass-throughs. The Tax Increment Limit was effective with Ordinance 2955, adopted 12/3/2008 and applies to the tax increment received, net of pass-through payments, in all of the sub-areas shown except Area A - Amendment VII and Temescal Canyon. The Tax Increment Limit is increased annually by the Consumer Price Index and is estimated to be \$1.088 billion in FY 2014-15. The volatility ratio is a measure of the susceptibility of tax increment to changes in the underlying assessed valuation and is calculated by dividing the base year assessed valuation by the current year assessed valuation. The volatility ratio for the Project Areas is 0.12.

Source: the Agency, Urban Analytics

Annual Tax Increment Cap

Under the provisions of the redevelopment plan and redevelopment law in effect prior to January 1, 1994, redevelopment project areas generally contained a tax increment cap, or a limitation on the amount of tax increment that may be collected within that redevelopment project area.

The tax increment cap in effect in the six sub-areas that were adopted prior to January 1, 1994 (the effective date of the legislation removing such caps from redevelopment plans) is \$1 billion, increased annually by the Consumer Price Index. For the purposes of the cap, pass-through payments to taxing entities are excluded from tax increment revenues subject to the cap. The six sub-areas subject to the tax increment cap are all of the Merged Project Areas except for Area A – Amendment VII and Area A – Amendment IX; the Temescal Canyon Project Area is also not subject to the cap.

The tax increment cap is incorporated into the projections used in preparing this report. The Agency is expected to collect \$12,796,303 in tax increment after pass-throughs in FY 2014-15 for the six sub-areas subject to the cap. The remaining amount of tax increment after receipt of FY 2014-15 revenue is estimated to be \$834,885,691. As shown in the projections in Table 9, the cap is not expected to be reached prior to termination of the redevelopment plans in the six sub-areas subject to the cap.

The state Department of Finance has indicated that it considers that tax increment caps not reached prior to the dissolution of redevelopment agencies in 2012 should not be used to prevent payment of enforceable obligations, and that they advise county auditor-controllers to not apply tax increment caps in cases where doing so would prevent payment of enforceable obligations. It is not clear whether this advice will be followed by county auditor-controllers, or that it would withstand any legal challenges. For the purposes of this Official Statement it is assumed that tax increment caps will remain in effect.

Assessment Appeals

Property owners can appeal the assessment of their property to the county assessment appeals board. See “BOND OWNERS’ RISKS—Assessment Appeals” and APPENDIX A—“FISCAL CONSULTANT REPORT.” The Fiscal Consultant conducted a review of pending and recently resolved assessment appeals in order to determine potential impact on current and future Project Area value and tax increment revenue. The results of this review are described in the Fiscal Consultant’s Report attached as Appendix A, portions of which are summarized below.

There are two basic types of assessment appeals provided for under California law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the Assessor immediately subsequent to a change in ownership or completion of new construction. If the base year value assigned by the Assessor is reduced, the valuation of the property cannot increase in subsequent years more than two percent annually unless and until another change in ownership and/or additional new construction activity occurs.

The most common type of appeal filed is known as a Proposition 8 appeal, in which the property owner seeks a reduction in a particular year’s assessment based on the current economic value of the property. The assessor may also adjust valuations based on Proposition 8 criteria. Reductions in valuation made under Proposition 8 are temporary, with valuations restored to their full assessments once the economic reason for the reduction no longer applies. Such reductions can affect the Agency’s tax increment while they are in effect.

The County Assessor annually reports on the number of assessments by City subject to Proposition 8 reductions, and the amount of Proposition 8 reductions. The Assessor reports 6,064 properties reduced through Proposition 8 in FY 2014-15 in the tax rate district including the Project Area with \$1,105,782,552 in reduced valuation. This compares to 12,222 properties and \$1,848,917,183 in Proposition 8 reductions in FY 2013-14 and 14,806 properties and \$2,123,042,289 in Proposition 8 reductions in FY 2012-13. While these figures include properties outside of the Project Area, they indicate that Proposition 8 reductions have decreased by

approximately 48% between FY 2012-13 and FY 2014-15. The assessor does not indicate on the rolls which parcels are subject to Proposition 8.

With respect to direct property owner appeals, the County experienced a high level of assessment appeals in the late 1990's and again in 2007 and 2008. Within the Project Area, the primary cause of such appeals was declining market value of improved and unimproved residential property. Further significant appeals to assessed values in the Project Area may be filed from time to time in the future. The Agency cannot predict the extent of any such appeals or their likelihood of success.

There are currently 124 appeal requests on record with the County, with the amount of assessed value in dispute of \$429.9 million. The potential exposure of the Agency's tax increment revenue to appeals, were either (i) the County Auditor-Controller to change its policy of deducting appeal-related tax refunds solely from supplemental revenue and not from tax increment or (ii) the County Assessor to continue Proposition 8 reductions on future rolls for properties granted prior year reductions, may be seen by applying the retention rate to the amount of valuation in dispute in pending appeals.

Overall, there were 884 appeals which settled in the Project Area during the FY 2005-06 to FY 2013-14 period and resulted in reductions in valuation of \$193.2 million out of \$2.9 billion in enrolled valuation subject to appeals, or around 7%. The overall retention rate has thus been approximately 93% of the original valuation.

A number of appeals have been filed by large property owners in the Project Areas, shown in the following table. Watson Laboratories has an appeal of their FY 2013-14 valuation pending on two properties; the owner has not filed an appeal in the prior three years. Avalon Calif Value VI has appeals pending on a single parcel for FY 2013-14 and FY 2012-13; the owner has received reductions in valuation of \$7.1 million on an appeal filed in FY 2011-12 and \$8.4 million on an appeal filed in FY 2010-11. Dos Lagos Office has a pending appeal for one parcel in FY 2013-14; the owner previously received a reduction in valuation of \$6.5 million from an appeal filed in FY 2010-11. Dos Lagos CRN, a shopping center, has appeals pending on seven parcels in FY 2012-13 and eight parcels in FY 2011-12; a previous appeal of the valuation on eight parcels in FY 2010-11 was resolved with no change in valuation. Rexco Magnolia has a pending appeal on one parcel in FY 2012-13; the owner has filed appeals in FY 2011-12 and FY 2010-11 that were resolved with no change in valuation.

An indicator of the potential exposure of Agency tax increment revenue to appeals – were the Auditor-Controller either to change its policy of deducting appeal-related tax refunds solely from supplemental revenue and not from regular tax increment or were the Assessor to continue Proposition 8 reductions on future rolls for properties granted prior-year reductions – may be seen by applying the retention rate to the amount of valuation in dispute in pending appeals.

Applying the 93% retention rate for resolved appeals to the \$739.8 million in total valuation for parcels with appeals pending indicates a potential valuation reduction of \$49.1 million or approximately \$491,000 in tax revenue. If the full amount of disputed valuation were granted, the reduction in valuation would be \$429.9 million or approximately \$4.3 million in tax revenue. No assumptions are made regarding any potential appeal-related adjustments to Project Area valuation.

The following table illustrates the pending and resolved assessment appeals in the Project Area, and a projection of the estimated impact of pending appeals on assessed value.

TABLE 4
Successor Agency to the
Redevelopment Agency of the City of Corona
Corona Redevelopment Projects
Assessment Appeals⁽¹⁾

<u>Roll Year</u>	<u>Status</u>	<u>Number of Appeals</u>	<u>County Valuation</u>	<u>Applicant Opinion of Value</u>	<u>Valuation After Appeal</u>	<u>Retention Rate *</u>
2013-14	Resolved	4	26,581,812	13,881,909	26,572,220	100%
2013-14	Pending	71	413,641,500	173,234,710	TBD	TBD
2012-13	Resolved	90	294,923,258	155,042,000	291,281,743	99%
2012-13	Pending	39	218,311,386	83,291,454	TBD	TBD
2011-12	Resolved	125	490,916,003	283,859,723	468,204,204	95%
2011-12	Pending	14	107,896,756	53,424,622	TBD	TBD
2010-11	Resolved	200	770,865,417	410,089,284	721,097,811	94%
2010-11	Pending	-	-	-	-	-
2009-10	Resolved	176	692,358,572	405,884,368	642,019,848	93%
2009-10	Pending	-	-	-	-	-
2008-09	Resolved	198	420,806,446	258,277,806	388,172,072	92%
2008-09	Pending	-	-	-	-	-
2007-08	Resolved	31	55,101,329	31,534,024	46,296,957	84%
2007-08	Pending	-	-	-	-	-
2006-07	Resolved	24	83,956,585	41,624,490	64,701,488	77%
2006-07	Pending	-	-	-	-	-
2005-06	Resolved	36	76,307,875	41,741,183	70,233,733	92%
2005-06	Pending	-	-	-	-	-
All Years	Resolved	884	2,911,817,297	1,641,934,787	2,718,580,076	93%
All Years	Pending	124	739,849,642	309,950,786	TBD	TBD

⁽¹⁾ Retention Rate is the proportion of value retained after resolution of an appeal. The rate is calculated by dividing the "Valuation After Appeal" into the "County Valuation." For withdrawn and denied appeals, the "Valuation After Appeal" is the original County valuation. Data is current as of 6/30/2014.

Source: Riverside County Assessor; Urban Analytics

ESTIMATED REVENUES AND BOND RETIREMENT

The Authority has retained Urban Analytics, LLC, San Francisco, California (the "Fiscal Consultant"), to analyze the Project Areas and to project future Tax Revenues for the Project Areas. The Fiscal Consultant's Report is included as Appendix A and should be read in its entirety.

The Project Areas base year assessed valuation is \$355,224,214. The assessed valuation for fiscal year 2014-15 is \$2,883,737,600 plus the homeowner's exempt assessed valuation of \$9,728,803, which produces a total incremental value of \$2,538,242,189. The total tax increment for fiscal year 2014-15 are estimated to be approximately \$25,382,422 and total Tax Revenues are estimated to be approximately \$21,686,471 after reductions for the Senior Bonds, Pass-Through Agreements, and senior pass-through payments. Table 6 sets forth estimated fiscal year 2014-15 Tax Revenues forecasts growth in Tax Revenues through fiscal year 2044-45, based upon a two percent annual increase in secured real property value beginning in 2014-15. These projections do not reflect changes to assessed valuation due to new construction, property sales, Proposition 8 reductions, assessment appeals or other factors. The actual growth rate may be less than the projected in the Project Area. Table 6 also projects annual debt service coverage based on the forecasts of Tax Revenues. See the Fiscal Consultant's Report attached hereto as Appendix A.

The Tax Rate calculated by the City is 1.000% for the secured roll and the unsecured roll for the Successor Agency. In accordance with Health and Safety Code Section 33670(e) the Successor Agency Tax Rate excludes taxes related to bonded indebtedness of the City approved by the voters of the City on or after January 1, 1989, and issued for the acquisition or improvement of real property. The Successor Agency does not receive, on an annual basis, all Tax Revenues, unless required to pay debt service. See the tables for the Project Area under the caption "ESTIMATED REVENUES AND BOND RETIREMENT."

Additional assumptions used by the Fiscal Consultant include:

1. The County will charge an administrative fee of 1.15% of the tax increment revenue of the Project Area,
2. The Project Area receives approximately \$245,387 in unitary revenue from the one percent levy,
3. The pass-through payments of the Agency and all Pass-Through Agreements are senior to the payment of debt service on the Bonds, and
4. Annual assessed valuation increased by 2% in each year.

Actual levels of future Tax Revenues will depend upon the rate of growth in tax increment resulting from new development, change of ownership and inflation, and changes in tax rates, and may differ from the projections presented herein.

TABLE 5
Successor Agency to the
Redevelopment Agency of the City of Corona
Corona Redevelopment Projects
Historical Assessed Valuation and Tax Increment Verification
Fiscal Year 2005-06 through 2014-15

Roll	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Secured										
-Land	\$ 542,091,503	\$ 680,953,973	\$ 739,701,660	\$ 836,439,366	\$ 802,670,233	\$ 818,575,590	\$ 804,591,933	\$ 796,251,768	\$ 790,185,184	\$ 804,972,218
-Improvements	1,192,710,744	1,513,399,860	1,777,938,245	1,746,955,651	1,752,732,160	1,656,676,553	1,617,603,188	1,622,947,182	1,694,761,258	1,764,430,092
-Personal Property	45,760,796	54,946,875	56,204,362	41,124,467	45,662,499	43,140,867	42,596,668	42,679,338	43,255,344	47,819,657
-Exemptions	(32,772,308)	(34,640,215)	(35,415,168)	(39,086,190)	(38,200,606)	(42,045,589)	(38,029,499)	(37,756,812)	(44,285,588)	(38,459,747)
Secured Total	1,747,790,735	2,214,660,493	2,538,429,099	2,585,433,294	2,562,864,286	2,476,347,421	2,426,762,290	2,424,121,476	2,483,916,198	2,578,762,220
Unsecured										
-Land	\$ 176,564	\$ 157,707	\$ 243,107	\$ 224,441	\$ 206,951	\$ 8,140	\$ 7,295	\$ 6,606	\$ 97,312	\$ 655
-Improvements	114,715,594	136,388,231	163,412,965	188,431,960	184,698,294	183,972,711	168,991,519	159,547,076	153,343,272	167,592,317
-Personal Property	135,626,371	150,111,790	175,155,951	202,571,625	191,333,870	183,610,557	160,160,197	129,225,164	126,311,040	137,398,942
-Exemptions	(61,076)	(326,305)	(329,639)	(437,849)	(225,628)	(118,695)	(118,695)	(118,695)	(91,521)	(91,521)
Unsecured Total	\$ 250,457,453	\$ 286,331,423	\$ 338,482,384	\$ 390,790,177	\$ 376,013,487	\$ 367,472,713	\$ 329,040,316	\$ 288,660,151	\$ 279,660,103	\$ 304,900,393
Utility										
-Land	\$ 1,517,206	\$ 2,186,315	\$ 1,970,999	\$ 1,970,999	\$ 1,970,999	\$ 1,970,999	\$ 1,970,999	\$ 74,987	\$ 74,987	\$ 74,987
-Improvements	190,858	178,763	-	-	-	-	-	-	-	-
-Personal Property	99,592	93,280	-	-	-	-	-	-	-	-
-Exemptions	-	-	-	-	-	-	-	-	-	-
Utility Total	1,807,656	2,458,358	1,970,999	1,970,999	1,970,999	1,970,999	1,970,999	74,987	74,987	74,987
Totals:	\$2,000,055,844	\$2,503,450,274	\$2,878,882,482	\$2,978,194,470	\$2,940,848,772	\$2,845,791,133	\$2,757,773,605	\$2,712,856,614	\$2,763,651,288	\$2,883,737,600
Percent Change	0	0	0	0	(0)	-3.23%	-3.09%	-1.63%	1.87%	4.35%
Plus: HOPTR AV⁽¹⁾	\$ 9,956,034	\$ 10,122,758	\$ 10,118,685	\$ 10,113,214	\$ 10,075,546	\$ 10,300,929	\$ 10,268,779	\$ 10,155,679	\$ 9,868,764	\$ 9,728,803
Less: Base AV	355,224,214	355,224,214	355,224,214	355,224,214	355,224,214	355,224,214	355,224,214	355,224,214	355,224,214	355,224,214
Incremental AV:	1,654,787,664	2,158,348,818	2,533,776,953	2,633,083,470	2,595,700,104	2,500,867,848	2,412,818,170	2,367,788,079	2,418,295,838	2,538,242,189
Incremental Revenue (1%)	\$ 16,547,877	\$ 21,583,488	\$ 25,337,770	\$ 26,330,835	\$ 25,957,001	\$ 25,008,678	\$ 24,128,182	\$ 23,677,881	\$ 24,182,958	\$ 25,382,422

⁽¹⁾ The Homeowner's Property Tax Relief exemption, reimbursed by the state.
Revenue from unitary and supplemental rolls, prior-year adjustments and other sources. Fiscal Year 2013-14 unitary revenue is estimated to be \$400,000.
Source: Urban Analytics; County of Riverside, the Agency.

TABLE 6
Successor Agency to the
Redevelopment Agency of the City of Corona
Corona Redevelopment Projects
Projected Tax Revenue and
Estimated Debt Service Coverage
Fiscal Years 2013/14 – 2044/45

<u>Year</u>	<u>Gross Tax Increment Revenues</u>	<u>County Admin. Fee</u>	<u>Senior Pass-Through Payments</u>	<u>Net Tax Revenues</u>	<u>Senior Bonds Debt Services</u>	<u>Debt Service on the Bonds</u>	<u>Excess Tax Increment</u>	<u>Coverage Ratio</u>
2014/15	\$ 9,011,832	\$ (102,400)	\$(3,369,498)	\$5,014,935				
2015/16	9,193,102	(104,459)	(3,441,721)	5,646,922				
2016/17	9,377,998	(106,560)	(3,515,389)	5,756,049				
2017/18	9,566,592	(108,703)	(3,590,530)	5,867,359				
2018/19	9,758,958	(110,889)	(3,667,174)	5,980,895				
2019/20	9,955,171	(113,118)	(3,745,351)	6,096,701				
2020/21	10,000,000	(113,628)	(3,761,495)	6,124,878				
2021/22	10,000,000	(113,628)	(3,761,495)	6,124,878				
2022/23	10,000,000	(113,628)	(3,761,495)	6,124,878				
2023/24	10,000,000	(113,628)	(3,761,495)	6,124,878				
2024/25	10,000,000	(113,628)	(3,761,495)	6,124,878				
2025/26	10,000,000	(113,628)	(3,761,495)	6,124,878				
2026/27	10,000,000	(113,628)	(3,761,495)	6,124,878				
2027/28	10,000,000	(113,628)	(3,761,495)	6,124,878				
2028/29	10,000,000	(113,628)	(3,761,495)	6,124,878				
2029/30	10,000,000	(113,628)	(3,761,495)	6,124,878				
2030/31	10,000,000	(113,628)	(3,761,495)	6,124,878				
2031/32	10,000,000	(113,628)	(3,761,495)	6,124,878				

⁽¹⁾ See "ESTIMATED REVENUES AND BOND RETIREMENT," for assumption regarding tax increment projections.
Source: Riverside County Office of the Assessor; Urban Analytics.

BOND OWNERS' RISKS

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Bonds and the credit quality of the Agency Bonds. The following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. For a discussion of certain matters that will or could cause reductions in the Tax Revenues available in future years, see "LIMITATIONS ON TAX REVENUES" of this Official Statement.

Limited Special Obligations

The Bonds will be special obligations of the Authority, payable from and secured as to the payment of the principal thereof and the redemption premium, if any, and the interest thereon in accordance with their terms and the terms of the Indenture. The Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of or redemption premium, if any, or interest on the Bonds except from the Revenues. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of or redemption premium, if any, or interest on the Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of or redemption premium, if any, or interest on the Bonds. The payment of the principal of or redemption premium, if any, or interest on the Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority.

Recognized Obligation Payment Schedule

The Dissolution Act provides that only those payments listed in a Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each six-month period, the Dissolution Act requires the Successor Agency to prepare and submit to the Successor Agency's Oversight Board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the Successor Agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Tax Revenues will not be withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and remitted to the Successor Agency without a Recognized Obligation Payment Schedule approved by the State Department of Finance. See "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule." If the Successor Agency were to fail to complete an approved Recognized Obligation Payment Schedule with respect to a six-month period, the availability of Tax Revenues to the Successor Agency could be adversely affected for such period.

If a successor agency fails to submit to the State Department of Finance an oversight board-approved Recognized Obligation Payment Schedule complying with the provisions of the Dissolution Act within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the State Department of Finance may determine if any amount should be withheld by the applicable county auditor-controller for payments for enforceable obligations from distribution to taxing entities pursuant to clause (iv) in the following paragraph, pending approval of a Recognized Obligation Payment Schedule. Upon notice provided by the State Department of Finance to the county auditor-controller of an amount to be withheld from allocations to taxing entities, the county auditor-controller must distribute to taxing entities any monies in the Redevelopment Property Tax Trust Fund in excess of the withholding amount set forth in the notice, and the county auditor-controller must distribute withheld funds to the successor agency only in accordance with a Recognized Obligation Payment Schedule when and as approved by the State Department of Finance.

Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, the county auditor-controller is to distribute funds for each six-month period in the following order specified in Section 34183 of the Dissolution Act: (i) first, subject to certain adjustments for subordinations to

the extent permitted under the Dissolution Act (as described above under "SECURITY FOR THE BONDS-Security for the Bonds") and no later than each January 2 and June 1, to each local agency and school entity, to the extent applicable, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011; (ii) second, on each January 2 and June 1, to a successor agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule; (iii) third, on each January 2 and June 1, to a successor agency for the administrative cost allowance, as defined in the Dissolution Act; and (iv) fourth, on each January 2 and June 1, to taxing entities any moneys remaining in its Redevelopment Property Tax Trust Fund after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity's share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

If the Successor Agency does not submit an Oversight-Board approved Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations and the State Department of Finance does not provide a notice to the County Auditor-Controller to withhold funds from distribution to taxing entities, amounts in the Redevelopment Property Tax Trust Fund for such six-month period would be distributed to taxing entities pursuant to clause (iv) above. However, the Successor Agency has covenanted in the Agency Bonds Indenture to take all actions required under the Dissolution Act to include scheduled debt service on the Senior Bonds, the Agency Bonds as well as any amount required under the Senior Bonds Indentures to replenish the reserve accounts established thereunder, or required under the Agency Bonds Indenture to replenish the Reserve Fund, in Recognized Obligation Payment Schedules for each six-month period to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective six-month period, including listing a reserve on the Recognized Obligation Payment Schedule to the extent required by the Agency Bonds Indenture or when the next property tax allocation is projected to be insufficient to pay all obligations due under the provisions of the Bonds for the next payment due in the following six-month period.

AB 1484 also added new provisions to the Dissolution Act implementing certain penalties in the event the Successor Agency does not timely submit a Recognized Obligation Payment Schedule for a six-month period. Specifically, a Recognized Obligation Payment Schedule must be submitted by the Successor Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance, and the State Controller no later than by 90 days before the date of the next January 2 or June 1 property tax distribution with respect to each subsequent six-month period. If the Successor Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by such deadlines, the City will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the State Department of Finance. Additionally, the Successor Agency's administrative cost allowance is reduced by 25% if the Successor Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the Recognized Obligation Payment Schedule for subsequent six-month periods.

Challenges to Dissolution Act

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, "Syncora") against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance.

Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the “Redistribution Provisions” thereof (i.e., California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the “contract clauses” of the United States and California Constitutions (U.S. Const. art. 1, § 10, cl.1; Cal. Const. art. 1, § 9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the “Takings Clauses” of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders’ and Syncora’s contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora’s constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora’s takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency’s ability to timely pay debt service on the Agency Bonds.

Mandatory Redemption on Acceleration of Agency Bonds on Default

The Bonds are subject to mandatory redemption upon the acceleration of the Agency Bonds upon the occurrence of an Event of Default under the Agency Bonds Indenture. As a practical matter in the event of a payment default by the Successor Agency, it is unlikely the Successor Agency would have the financial resources to meet accelerated obligations. No real or personal property in the Project Areas is pledged to secure the Agency Bonds, and it is not anticipated that the Successor Agency will have available moneys sufficient to pay the amount of principal and interest due upon acceleration of the Agency Bonds, and correspondingly to redeem all of the Bonds in the event of a default. Additionally, if the Bonds are insured, then the bond insurer will retain the right to control remedies on the Bonds and the Agency Bonds in the Event of Default, possibly in conflict with the Owners of the Bonds. See “SECURITY FOR THE BONDS AND THE AGENCY BONDS – Security for the Agency Bonds,” herein.

Reduction in Taxable Value

Tax increment revenues allocated to the Successor Agency are determined by the amount of incremental taxable value in the Project Area allocable to the Project Areas and the current rate or rates at which property in the Project Areas is taxed. The reduction of taxable values of property caused by economic factors beyond the Successor Agency’s control, such as a relocation out of the Project Areas by one or more major property owners, or the transfer, pursuant to California Revenue and Taxation Code Section 68, of a lower assessed valuation to property within the Project Areas by a person displaced by eminent domain or similar proceedings, appeals to value under Proposition 8 or other assessment appeals, or the discovery of hazardous substances on a property within the Project Areas (see “Hazardous Substances,” below) or the complete or partial destruction of such property caused by, among other eventualities, an earthquake (see “Seismic Factors and Flooding,” below), flood or other natural disaster, could cause a reduction in the Tax Revenues securing the Agency Bonds. Property owners may also appeal to the County Assessor for a reduction of their assessed valuations or the County Assessor could order a blanket reduction in assessed valuations based on then current economic conditions. See APPENDIX A – “Fiscal Consultant’s Report - Assessment Appeals.”

Risks of Real Estate Secured Investments Generally

The Owners and Beneficial Owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (a) adverse changes in local market conditions,

such as changes in the market value of real property within and in the vicinity of the respective project areas, the supply of or demand for competitive properties in such project areas, and the market value of competitive properties in the event of sale or foreclosure, (b) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies, and (c) natural disasters (including, without limitation, earthquakes, fires, droughts and floods), which may result in uninsured losses.

Reduction in Inflationary Rate and Changes in Legislation

As described in greater detail below (see “LIMITATIONS ON TAX REVENUES”), Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2% and there have been several years in which taxable values were adjusted by an actual inflationary rate that was less than 2%. The adjusted inflationary rate for Fiscal Year 2014-15 is 0.454%. The Successor Agency is unable to predict whether future annual inflationary adjustments to the taxable value base of real property within the Project Areas will be in the amount of the full 2% permitted under Article XIII A or will be in an amount less than 2%.

Change in Law

In addition to the other limitations on Tax Revenues, the California electorate or Legislature could adopt a constitutional or legislative property tax decrease with the effect of reducing Tax Revenues payable to the Successor Agency. There is no assurance that the California electorate or Legislature will not at some future time approve additional limitations that could reduce the Tax Revenues and adversely affect the security of the Agency Bonds.

Development and Economic Risks

Development within the Project Areas may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within the Project Areas could be adversely affected by future governmental policies, including policies that restrict or control development. If projected development in the Project Areas is delayed or halted, the economy of the Project Areas could be affected, potentially causing a reduction of the Tax Revenues available to repay the Agency Bonds and consequently the Bonds. In addition, if there is a general decline in the economy of the Project Areas, the owners of property in the Project Areas may be less able or willing to make timely payments of property taxes, causing a delay or stoppage of Tax Revenues received by the Successor Agency.

Bankruptcy of Landowners

The bankruptcy of a major assessee in the Project Areas could delay and/or impair the collection of property taxes by the County with respect to properties in the bankruptcy estate. Although the Successor Agency is not aware of any major property owners in the Project Areas that are in bankruptcy or threatening to declare bankruptcy, the Successor Agency cannot predict the effects on the collections of Tax Revenues if such an event were to occur.

Seismic Factors and Flooding

The Project Areas, like all California communities, may be subject to unpredictable seismic activity, fires, floods or other natural disasters. Southern California is a seismically active area. At least two active faults have been recognized in this area. According to the City’s General Plan Geotechnical Report the distance from the central part of the City (which includes portions of the Project Area) is approximately 1.9 miles from the

Elsinore Fault, 20.4 miles from the San Jacinto Fault and 27.8 miles from the San Andreas Fault. Seismic activity from these or other faults represents potential risk for damage to buildings, roads, bridges and property within the Project Areas in the event of an earthquake. There is significant potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the Project Areas. As a result, property owners may be unable or unwilling to pay their property taxes when due. In addition, the value of land in the Project Areas could be reduced in the aftermath of such a natural disaster. Such a reduction of assessed valuations could result in a reduction of the Tax Revenues that secure the Bonds. Although portions of the Project Areas are the taxable property located within a 100% flood plain, the Agency has determined that such affected property is largely public property or has little or no assessed value.

Levy and Collection of Taxes

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

Estimated Revenues

In estimating that Tax Revenues will be sufficient to pay debt service on the Bonds, the Successor Agency has made certain assumptions with regard to present and future assessed valuation in the Project Area, future tax rates and percentage of taxes collected. The Successor Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the Tax Revenues available to pay debt service on the Bonds will be less than those projected and such reduced Tax Revenues may be insufficient to provide for the payment of principal of, premium (if any) and interest on the Bonds.

Hazardous Substances

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

Direct and Overlapping Indebtedness

The ability of land owners within the respective project area to pay property tax installments as they come due could be affected by the existence of other taxes and assessments, imposed upon the land. In addition, other public agencies whose boundaries overlap those of the respective project area could, without consent of the Successor Agency, and in certain cases without the consent of the owners of the land within the Project Areas, impose additional taxes or assessment liens on the property to finance public improvements.

Future Legislation and Initiatives

Article XIII A, Article XIII B and Proposition 218 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the Successor Agency or the Successor Agency's ability to expend revenues. In addition, there are currently a number of proposed legislative changes to the Dissolution Act which, if adopted, would also affect revenues of the Successor Agency or the Successor Agency ability to expend revenues. The nature and impact of these measures cannot currently be anticipated.

Assessment Appeals

Property taxable values may be reduced as a result of Proposition 8, which reduces the assessed value of property, or of a successful appeal of the taxable value determined by the County Assessor. An appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the applicant property owner. A reduction in taxable values within the respective project area and the refund of taxes which may arise out of successful appeals by property owners will affect the amount of Tax Revenues and, potentially, Revenues under the Indenture. The Successor Agency has in the past experienced reductions in its tax increment revenues as a result of assessment appeals. The actual impact to tax increment is dependent upon the actual revised value of assessments resulting from values determined by the County Assessment Appeals Board or through litigation and the ultimate timing of successful appeals. For a discussion of historical assessment appeals in the Project Areas and summary information regarding pending and resolved assessment appeals for the Successor Agency, see "Appendix A - Fiscal Consultant's Report."

Economic Risks

The Agency's ability to make payments on the respective Agency Bonds will be partially dependent upon the economic strength of the Project Areas. If there is a decline in the general economy of the Project Areas, the owners of property may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of tax increment revenues. In the event of decreased values, Tax Revenues and, potentially, Revenues may decline even if property owners make timely payment of taxes.

Investment Risk

Funds held under the Agency Bonds Indenture are required to be invested in Permitted Investments as provided under the Agency Bonds Indenture. See "APPENDIX A" attached hereto for a summary of the definition of Permitted Investments. The funds and accounts of the Successor Agency, into which a portion of the proceeds of the Agency Bonds will be deposited and into which Tax Revenues are deposited, may be invested by the Successor Agency in any investment authorized by law. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal.

Further, the Successor Agency cannot predict the effects on the receipt of Tax Revenues if the County were to suffer significant losses in its portfolio of investments or if the County or the City were to become insolvent or declare bankruptcy. See "BOND OWNERS' RISKS – Bankruptcy."

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

Bankruptcy

The rights of the Owners of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights under currently existing law or laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The opinions of Bond Counsel as to the enforceability of the obligation to make payments on the Bonds will be qualified as to bankruptcy and such other legal events. See APPENDIX F – “Forms of Opinions of Bond Counsel.”

LIMITATIONS ON TAX REVENUES

Property Tax Limitations - Article XIII A

Article XIII A of the California Constitution. Section 1(a) of Article XIII A of the California Constitution limits the maximum ad valorem tax on real property to one percent of full cash value, to be collected by the counties and apportioned according to law. Section 2 of Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under full cash value or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the California Legislature to implement Article XIII A provides that notwithstanding any other law, local agencies may not levy any ad valorem property tax except to pay debt service on indebtedness approved by the voters as described above.

In the general elections of 1986, 1988, and 1990, the voters of the State approved various measures which further amended Article XIII A. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first \$1,000,000 of the full cash value of other real property between parents and children, do not constitute a "purchase" or "change of ownership" triggering reassessment under Article XIII A. This amendment will reduce the tax increment of the Successor Agency. Other amendments permitted the Legislature to allow persons over 55 who sell their residence and on or after November 5, 1986, to buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence, and permitted the Legislature to authorize each county under certain circumstances to adopt an ordinance making such transfers or assessed value applicable to situations in which the replacement dwelling purchased or constructed after November 8, 1988, is located within that county and the original property is located in another county within California.

In the June 1990 election, the voters of the State approved additional amendments to Article XIII A permitting the State Legislature to extend the replacement dwelling provisions applicable to persons over 55 to severely disabled homeowners for replacement dwellings purchased or newly constructed on or after June 5, 1990, and to exclude from the definition of "new construction" triggering reassessment improvements to certain dwellings for the purpose of making the dwelling more accessible to severely disabled persons. In the November 1990 election, the voters approved the amendment of Article XIII A to permit the State Legislature to exclude from the definition of "new construction" seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Both the California Supreme Court and the United States Supreme Court have upheld the constitutionality of Article XIII A.

Article XIII B of the California Constitution. On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIII B to the California Constitution. The principal effect of Article XIII B is to limit the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity.

Appropriations subject to Article XIII B include generally the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds.

Effective September 30, 1980, the California Legislature added Section 33678 to the Law which provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness will not be deemed the receipt by the agency of proceeds of taxes levied by or on behalf of the agency within the meaning of Article XIII B or any statutory provision enacted in implementation thereof, including Section 33678 of the Law. The constitutionality of Section 33678 has been

upheld by the Second and Fourth District Courts of Appeal in two decisions: *Bell Community Redevelopment Agency v. Woosely and Brown v. Community Redevelopment Agency of the City of Santa Ana*. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

Proposition 218. On November 5, 1996, the voters of the State approved Proposition 218, the "Right to Vote on Taxes Act." Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of the public agencies to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII C removes limitations on the initiative power in matters of local taxes, special taxes, assessments, fees and charges. While the matter is not free from doubt, it is likely that a court would hold that the initiative power cannot be used to reduce or repeal the levy of property taxes or to materially affect the collection and pledge of Tax Revenues.

The interpretation and application of the initiative provisions of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and while it is not possible at this time to predict with certainty the outcome of such determination, the Successor Agency does not believe that Proposition 218 will materially affect its ability to pay principal of or interest on the Agency Bonds.

Implementing Legislation

Legislation enacted by the California Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value is shown at 100% of assessed value and all general tax rates reflect the \$1.00 per \$100 of taxable value. Tax rates for bond debt service and pension liability are also applied to 100% of assessed value.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of "base" revenue from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. Neither the Authority nor the Successor Agency is able to predict the nature or magnitude of future revenue sources which may be provided by the State to replace lost property tax revenues. Article XIII A effectively prohibits the levying of any other ad valorem property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Redevelopment Plan Limits

There is a question on the applicability of tax increment limits as to time and amounts established under redevelopment plans after the adoption of AB 26 and AB 1484. The matter remains subject to further guidance from the DOF, legislation and interpretation by the courts. If the cumulative tax increment limit is deemed to no longer be applicable, no interruption of tax increment revenue will occur. For purposes of the projections in this Official Statement and in the Fiscal Consultant's Report appearing in Appendix A, it is assumed that all redevelopment plan limits will be enforced.

Unitary Property

Assembly Bill 2890 (Statutes of 1986, Chapter 1457), which added Section 98.9 to the California Revenue and Taxation Code, provided that, commencing with the Fiscal Year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) was to be allocated county-wide as follows: (i) each tax rate area will receive the same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case values will be allocated to each tax rate area on a pro rata basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a pro rata share of the increase from each assessed utility according to a specified formula. Additionally, the lien date on State-assessed property was changed from March 1 to January 1.

Assembly Bill 454 (Statutes of 1987, Chapter 921) further modified the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provided for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provided for a new method of establishing tax rates on State-assessed property and distribution of property tax revenues derived from State-assessed property to taxing jurisdictions within each county as follows: for revenues generated from the 1% tax rate, each jurisdiction, including redevelopment project areas, will receive a percentage up to 102% of its prior year State-assessed unitary revenue; and if county-wide revenues generated for unitary property are greater than 102% of the previous year's unitary revenues, each jurisdiction will receive a percentage share of the excess unitary revenue generated from the application of the debt service tax rate to county-wide unitary taxable value, further, each jurisdiction will receive a percentage share of revenue based on the jurisdiction's annual debt service requirements and the percentage of property taxes received by each jurisdiction from unitary property taxes in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

The intent of Chapters 1457 and 921 was to provide redevelopment agencies with their appropriate share of revenue generated from the property assessed by the State Board of Equalization.

The Successor Agency has projected the amount of unitary revenues to be allocated for 2013-14 within the Project Areas. Neither the Authority nor the Successor Agency can predict the effect of any future litigation or settlement agreements on the amount of unitary tax revenues received or to be received nor the impact on unitary property tax revenues of any transfer of electrical transmission lines to tax-exempt agencies.

Tax Increment Limitation; Senate Bill 211

Assembly Bill 1290 ("AB 1290") was signed into law by the Governor in December 1993 and amends various provisions of the Law. AB 1290 provides for the placement of time limits on the effectiveness of every redevelopment plan, and provides that after 10 years from the termination date of a plan's effectiveness, no redevelopment agency, subject to certain exceptions, will pay indebtedness or receive property taxes in connection therewith. In addition, in connection with the shift of tax increment revenues, (i) SB 1045 allowed the Former Agency to extend the effective date of the related redevelopment plan, and the date to receive Tax Revenues in the Project Areas, by one year, and (ii) SB 1096 allowed the Former Agency to extend the effective date of the related redevelopment plan, and the date to receive Tax Revenues, by two years subject to compliance with major housing requirements. The Former Agency has taken such action with respect to SB 1045, and the projections of Tax Revenues reflect such extensions. Pursuant to the related redevelopment plan, the expiration date of the related redevelopment plan is as described in "THE CORONA REDEVELOPMENT PROJECT," herein.

On October 10, 2001 the Governor of the State signed into law Senate Bill 211 ("SB 211"), which allows redevelopment agencies to eliminate the time limits on their ability to incur debt for project areas established prior to January 1, 1994. Additionally, SB 211 allows redevelopment agencies to extend the termination date of their redevelopment plans and the deadline for the receipt of tax increment for the repayment of debt by 10 years for project areas established prior to January 1, 1994. In order to extend the termination of the redevelopment plans or the deadline for the receipt of tax increment for the repayment of debt, the redevelopment agency must make certain findings of blight in the applicable project areas. Additionally, if a redevelopment agency elects to extend the time limits on the incurrence of debt, the termination of the redevelopment plans or the deadline for the receipt of tax increment for the repayment of debt, the redevelopment agency must make certain additional statutory pass-throughs to other taxing entities. The Former Agency did not extend any of the related redevelopment plan limitations with respect to the respective project area pursuant to SB 211.

Property Taxes; Teeter Plan

The County utilized a mechanism for the distribution of tax increment revenue to the former redevelopment agencies that has a similar effect on the Successor Agency's tax increment revenues as the

device known as the Teeter Plan (Section 4701 et seq. of the California Revenue and Taxation Code). The Teeter Plan allows counties to distribute secured property tax revenue to participating jurisdictions without regard to delinquencies by maintaining a reserve fund to cover delinquencies and allocating revenue based on the original secured roll, retaining all delinquent tax payments and penalties. Under the mechanism used by the County to distribute tax increment revenue to the former redevelopment agencies, the County pays one-half of the taxes from the net taxable assessed valuation appearing on the equalized roll to each agency's RPTTF on January 2 and the other one-half on June 1; delinquencies are not deducted from the RPTTF revenue, and delinquent tax payments and defaulted tax redemptions, penalties and interest are not added to RPTTF revenue. Consequently, the Agency is not affected by delinquent tax payments. The overall delinquency rate for the 2012-13 fiscal year for all secured properties in the Project Areas was 0.9% as of July 17, 2013.

Tax Collection Fees

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

Future Initiatives

Article XIII A, Article XIII B and Proposition 218 were each adopted as measures that qualified for the ballot under California's initiative process. From time to time other initiative measures could be adopted, further affecting Agency revenues or the Agency's ability to expend revenues.

OTHER INFORMATION

Continuing Disclosure

The Successor Agency will undertake all responsibilities for continuing disclosure to Owners of the Bonds pursuant to the Continuing Disclosure Agreement to prepare and deliver certain other information as described in the Continuing Disclosure Agreement. The Authority will act as dissemination agent under the Continuing Disclosure Agreement. See APPENDIX G – “FORM OF CONTINUING DISCLOSURE AGREEMENT.” These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

[The Agency and Successor Agency have timely filed all of the annual reports in the last five years].

Other than as described above, the Agency has not failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports, semi-annual reports or notices of material events in the last five years.

Litigation

At the time of delivery of and payment for the Bonds, the Authority and the Successor Agency, respectively, will certify that, except as disclosed herein, to their respective best knowledge there is no litigation, action, suit, proceeding or investigation, at law or in equity, before or by any court, governmental agency or body, pending against or threatened against the Authority or the Successor Agency in any way affecting the existence of the Authority or the Successor Agency or the titles of its officers to their respective offices or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the Agency Bonds, the application of the proceeds thereof in accordance with the Indenture or the Agency Bonds Indenture, or the collection or application of Tax Revenues to be pledged to pay the principal of and interest on the Bonds or the Agency Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Agency Bonds, the Indenture, the Agency Bonds Indenture, or any action of the Authority or the Successor Agency contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or the powers of the Authority or the Successor Agency or its authority with respect to the Indenture or the Agency Bonds Indenture or any action of the Authority or the Agency contemplated by said documents, or in any way contesting the completeness or accuracy of this Official Statement or the powers of the Authority or the Agency or its authority with respect to the Indenture or the Agency Bonds Indenture or any action of the Authority or the Agency contemplated by said documents, or which would adversely affect the exclusion of interest paid on the 2014 Series A Bonds from gross income for Federal income tax purposes or the exemption of interest paid on the Bonds from California personal income taxation, nor, to the knowledge of the Authority or the Successor Agency, is there any basis therefor.

Tax Matters

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

In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which each Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded. Owners of Bonds with original issue discount or original issue premium, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to federal income tax and State of California personal income tax consequences of owning such Bonds.

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

Legal Opinion

Jones Hall, A Professional Law Corporation, San Francisco, California, will render opinions with respect to the validity of the Bonds and the Authority Bonds in substantially the forms set forth in Appendix F hereto. Copies of such approving opinions will be available at the time of delivery of the Bonds.

In addition, Best Best & Krieger LLP, as Disclosure Counsel, will deliver to the Authority and to the Underwriters a letter in customary form concerning the information set forth in this Official Statement.

Ratings

Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business, a part of McGraw Hill Financial ("Standard & Poor's") has assigned to the Bonds its municipal bond rating of "___" with the understanding that the Policy insuring the payment when due of the principal of and interest on the Bonds will be issued concurrently with the delivery of the Bonds by the Authority. Standard and Poor's has assigned an underlying rating to the Bonds without regard to the issuance of the Policy the rating of "___." Such ratings reflect only the views of Standard & Poor's, and do not constitute a recommendation to buy, sell or hold any of the Bonds. Explanation of the significance of such ratings may be obtained only from Standard and Poor's Ratings Services, 55 Water Street, New York, New York 10041.

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

Underwriting

Citigroup Global Markets Inc. (the "Underwriter") has agreed to purchase the Bonds at a price of \$_____ (being the principal amount of the Bonds, plus a net original issue premium of \$_____, less an underwriters' discount of \$_____) under a Bond Purchase Contract between the Authority and the Underwriters.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part

of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Bonds.

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

Miscellaneous

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

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

RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY

By: _____
Executive Director

APPENDIX B

CITY AND COUNTY INFORMATION

The following information relating to the City of Corona (the "City") and the County of Riverside (the "County"), California is supplied solely for purposes of information. Neither the City nor the County is obligated in any manner to pay principal of or interest on the Bonds or to cure any delinquency or default on the Bonds. The Bonds are payable solely from the sources described in the Official Statement.

General

The City is located in western Riverside County, approximately 45 miles southeast of Los Angeles along State Route 91 and Interstate 15. The City encompasses an area of 39.2 square miles.

Incorporated in 1896, the City operates as a general law city with a council-manager form of government. The five City Council members are elected at large for staggered four-year terms. The City Council elects one of the City Council members as Mayor.

The City provides police protection, fire protection, animal control, building safety regulation and inspection, street lighting, beautification, water and wastewater service, refuse collection, land use planning, and zoning, housing and community services, maintenance and improvement of streets and related structures, traffic safety maintenance and improvement and recreational and cultural programs for citizen participation.

Population

The following table offers population figures for the City, the County and the State of California as of January 1, 2008 through January 1, 2012.

**CITY OF CORONA, COUNTY OF RIVERSIDE AND STATE OF CALIFORNIA
Population**

	<i>1/1/2008</i>	<i>1/1/2009</i>	<i>1/1/2010</i>	<i>1/1/2011</i>	<i>1/1/2012</i>
City of Corona	146,272	147,319	149,692	151,858	152,374
County of Riverside	2,049,902	2,102,741	2,140,626	2,179,692	2,189,641
State of California	36,399,676	36,704,375	36,966,713	37,233,900	37,253,956

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 and 2010 Census Counts. Sacramento, California, November 2012.

Construction Activity

The following table shows building permit valuations and new housing units in the City for calendar years 2007 through 2011.

CITY OF CORONA Building Permit Valuation and New Housing Units

	2007	2008	2009	2010	2011
Residential					
Single Family	\$ 24,622,642	\$ 1,797,704	\$ 6,816,057	\$10,225,820	\$ 18,639,992
Multi-Family	5,673,752	28,692,489	7,589,858	1,159,516	48,134,059
Alteration/Additions	<u>4,945,307</u>	<u>3,100,268</u>	<u>4,374,613</u>	<u>2,712,494</u>	<u>2,628,047</u>
Total ⁽¹⁾	<u>\$ 35,241,701</u>	<u>\$ 33,590,461</u>	<u>\$ 18,780,534</u>	<u>\$18,097,830</u>	<u>\$ 69,402,098</u>
Non-Residential					
New Commercial	\$ 48,596,455	\$ 74,256,067	\$ 1,599,196	\$ 329,627	\$ 512,548
New Industry	2,763,756	6,450,621	0	6,685,531	0
Other ⁽²⁾	10,639,621	7,545,296	2,621,627	2,609,673	2,967,698
Alteration/Additions	<u>31,885,689</u>	<u>20,785,677</u>	<u>14,705,067</u>	<u>41,651,861</u>	<u>40,795,848</u>
Total ⁽¹⁾	<u>\$ 93,885,522</u>	<u>\$109,038,661</u>	<u>\$ 18,925,890</u>	<u>\$51,276,692</u>	<u>\$ 44,276,094</u>
Total All Industry⁽¹⁾	<u>\$129,127,233</u>	<u>\$142,629,122</u>	<u>\$ 37,706,424</u>	<u>\$69,374,522</u>	<u>\$113,678,192</u>
New Housing Units					
Single Family Units	76	6	33	31	55
Multi-Family Units	<u>40</u>	<u>359</u>	<u>58</u>	<u>38</u>	<u>408</u>
Total	<u>116</u>	<u>365</u>	<u>91</u>	<u>69</u>	<u>463</u>

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ Includes churches and religious building, hospitals and institutional buildings, schools and educational buildings, residential garages, public works and utilities buildings and non-residential alterations and additions.

Source: Construction Industry Research Board.

Employment

The following table sets forth the major employers located in the County as of 2013:

COUNTY OF RIVERSIDE CERTAIN MAJOR EMPLOYERS⁽¹⁾ (2013)

<u>Company Name</u>	<u>Product/Service</u>	<u>No. of Local Employees⁽²⁾</u>
County of Riverside	Government	18,728
March Air Reserve Base	Military Reserve Base	9,000
Stater Brothers Market	Supermarket	6,900
Walmart	Retail Store	5,681
University of California, Riverside	University	5,497
Riverside Unified School District	School District	5,000
Corona-Norco Unified School District	School District	4,633
Kaiser Permanente Riverside Medical Center	Hospital	4,500
Moreno Valley Unified School District	School District	3,355
Hemet Unified School District	School District	3,270

⁽¹⁾ Certain major employers in the County may have been excluded because of the data collection methodology used by Riverside County Economic Development Agency.

⁽²⁾ Includes employees within the County; excludes, under certain circumstances, temporary, seasonal and per diem employees.

Source: County Economic Development Agency

The Following table sets forth major employers in the City in 2013.

CITY OF CORONA MAJOR EMPLOYERS (2013)

<u>Employer</u>	<u>Project/Service</u>	<u>Employees</u>
Corona-Norco Unified School District	Education	4,686
Kaiser Permanente	Hospital	1,783
Corona Regional Medical Center	Hospital	1,200
Watson laboratories, Inc.	Medical	950
City of Corona	Government	866
Fender USA Corona	Guitar Maker	800
All American Asphalt	Construction	679
Arizona Pipeline	Construction	400
Dart Container Corporation	Shipping	394
Total		12,108

Source: City of Corona

Employment and Industry

The County is a part of the Riverside-San Bernardino Primary Metropolitan Statistical Area (“PMSA”), which includes all of Riverside and San Bernardino Counties. In addition to varied manufacturing employment, the PMSA has large and growing commercial and service sector employment, as reflected in the following table.

RIVERSIDE-SAN BERNARDINO-ONTARIO PMSA ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY⁽¹⁾ (In Thousands)

<u>INDUSTRY</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Agriculture	14.9	15.0	14.9	15.0	14.6
Construction	67.9	59.7	59.1	62.6	69.3
Finance Activities	42.5	41.0	39.9	40.8	42.0
Government	235.2	234.3	227.5	224.6	225.0
Manufacturing:	88.7	85.1	85.1	86.7	86.8
Nondurables	30.6	29.8	29.3	29.8	29.8
Durables	58.1	55.3	55.8	56.8	57.0
Natural Resources and Mining	1.1	1.0	1.0	1.2	1.2
Retail Trade	156.2	155.5	158.5	162.3	164.8
Professional, Educational and other Services	471.9	438.5	446.3	463.6	491.4
Transportation, Warehousing and Utilities	66.8	66.6	68.8	73.8	78.6
Wholesale Trade	48.9	48.6	49.0	52.1	56.0
Information, Publishing and Telecommunications	<u>14.1</u>	<u>14.0</u>	<u>12.1</u>	<u>11.5</u>	<u>11.3</u>
Total, All Industries	<u>1,177.6</u>	<u>1,159.3</u>	<u>1,162.2</u>	<u>1,194.2</u>	<u>1,241.0</u>

⁽¹⁾ The employment figures by industry which are shown above are not directly comparable to the “Total, All Industries” employment figures due to rounded data.

Source: State Employment Development Department, Labor Market Information Division, as of March 2014.

Unemployment statistics for the County, the State and the United States are set forth in the following table:

COUNTY OF RIVERSIDE COUNTY, STATE AND NATIONAL UNEMPLOYMENT DATA

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>June 2014</u>
County ⁽¹⁾	13.4%	14.5%	13.7%	12.1%	10.3%	8.4%
California ⁽¹⁾	11.3	12.4	11.8	10.4	8.9	7.3
United States ⁽²⁾	9.3	9.6	8.9	8.1	7.4	6.3

⁽¹⁾ Data is not seasonally adjusted. The unemployment data for the County and State is calculated using unrounded data.

⁽²⁾ Data is seasonally adjusted.

Source: State of California Employment Development Department Labor Market Information Division; U.S. Bureau of Labor Statistics

Retail Sales

The table below presents the City's retail permits and transactions for calendar years 2005 through 2010 and first three quarters of calendar year 2011.

CITY OF CORONA Taxable Transactions (in Thousands)

<i>Calendar Year</i>	<i>Retail Permits</i>	<i>Retail Stores Taxable Transactions</i>	<i>Total Permits</i>	<i>Total Outlets Taxable Transactions</i>
2005	831	\$ 705,491	1,802	\$ 804,873
2006	1,919	2,159,434	3,768	3,576,700
2007	1,876	2,078,527	3,958	3,478,337
2008	1,920	1,809,673	3,994	2,994,438
2009	2,295	1,484,916	3,693	2,426,746
2010	2,438	1,536,310	3,851	2,454,989
2011 ⁽¹⁾	2,554	1,230,101	4,045	2,019,681

⁽¹⁾ Taxable Transactions through third quarter of 2011.
Source: California State Board of Equalization.

Commercial Activity

Commercial activity is an important factor in the County's economy. Much of the County's commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are five regional shopping malls in the County: Galleria at Tyler (Riverside), Hemet Valley Mall, Westfield Palm Desert Shopping Center, Moreno Valley Mall and the Promenade at Temecula. There are also two factory outlet malls (Desert Hills Factory Stores and Lake Elsinore Outlet Center) and over 200 area centers in the County.

The following table sets forth taxable transactions in the County for the years 2008 through 2012, the most recent year for which data is currently available:

COUNTY OF RIVERSIDE TAXABLE SALES TRANSACTIONS (In Thousands)

	<u>2008⁽¹⁾</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Motor Vehicles and Parts Dealers	\$ 3,115,036	\$ 2,449,747	\$ 2,620,568	\$ 3,010,487	\$ 3,493,098
Furniture and Home Furnishings	485,981	381,643	412,325	436,482	441,649
Electronics and Appliances Stores	330,398	476,455	470,784	478,406	488,419
Building Materials, Garden Equipment and Supplies	1,580,020	1,237,518	1,232,145	1,303,073	1,365,513
Food and Beverage Stores	1,352,704	1,251,220	1,267,758	1,304,731	1,356,148
Health and Personal Care Stores	307,947	389,620	400,207	454,268	490,238
Gasoline Stations	3,011,476	2,300,247	2,685,840	3,300,785	3,516,040
Clothing and Clothing Accessories Stores	1,218,127	1,293,271	1,391,174	1,505,821	1,672,482
Sporting Goods, Hobby, Book and Music Stores	210,121	411,301	428,121	454,971	467,536
General Merchandise Stores	3,081,989	2,855,733	2,947,905	3,051,709	3,174,022
Miscellaneous Store Retailers	1,654,895	641,954	652,273	700,338	742,118
Nonstore Retailers	1,045,704	101,925	92,916	101,876	142,081
Food Services and Drinking Places	<u>2,340,554</u>	<u>2,266,853</u>	<u>2,317,486</u>	<u>2,473,339</u>	<u>2,668,324</u>
Total Retail and Food Services	<u>\$19,734,952</u>	<u>\$16,057,488</u>	<u>\$16,919,500</u>	<u>\$18,576,285</u>	<u>\$20,016,668</u>
All Other Outlets	<u>6,268,632</u>	<u>6,170,390</u>	<u>6,233,280</u>	<u>7,065,212</u>	<u>8,079,341</u>
Total All Outlets	<u>\$26,003,595</u>	<u>\$22,227,877</u>	<u>\$23,152,780</u>	<u>\$25,641,497</u>	<u>\$28,096,009</u>

⁽¹⁾ Data for 2008 is not necessarily directly comparable to 2009-2012 due to changes in classifications and groupings in the "Taxable Sales In California" report beginning in 2009.

Source: California State Board of Equalization, Research and Statistics Division

Housing

The following table sets forth a comparison of annual median housing prices for Los Angeles County, Riverside County and Southern California for the years indicated.

COUNTY OF RIVERSIDE COMPARISON OF MEDIAN HOUSING PRICES

<u>Year</u>	<u>Los Angeles</u>	<u>Riverside</u>	<u>San Bernardino</u>	<u>Southern California⁽¹⁾</u>
2008	\$400,000	\$260,000	\$225,000	\$340,000
2009	320,000	190,000	150,000	270,000
2010	335,000	200,000	155,000	290,000
2011	315,000	195,000	150,000	280,000
2012	330,000	210,000	163,000	300,000
2013	412,000	259,000	205,000	370,000

⁽¹⁾ Southern California is comprised of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.
Source: MDA DataQuick Information Systems.

The following table sets forth a comparison of home and condominium foreclosures recorded in Los Angeles County, Riverside County, San Bernardino County and Southern California for the years indicated.

**COUNTY OF RIVERSIDE
COMPARISON OF HOME FORECLOSURES**

<u>Year</u>	<u>Los Angeles</u>	<u>Riverside</u>	<u>San Bernardino</u>	<u>Southern California⁽¹⁾</u>
2008	35,366	32,443	23,601	125,117
2009	29,943	25,309	19,560	100,106
2010	26,827	20,598	16,757	86,853
2011	25,597	17,383	14,181	77,105
2012	15,271	10,657	9,262	47,347
2013	6,469	4,191	4,088	19,470

⁽¹⁾ Southern California is comprised of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.
Source: MDA DataQuick Information Systems.

Agriculture

Agriculture remains an important source of income in the County. Principal agricultural products are milk, eggs, table grapes, grapefruit, nursery, alfalfa, bell peppers, dates, lemons and avocados.

Four areas in the County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of the County, the Coachella Valley in the central portion and the Palo Verde Valley near the County's eastern border.

The value of agricultural production in the County for 2008 through 2012 is presented in the following table:

**COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Citrus Fruits	\$ 135,759,800	\$ 101,652,000	\$ 140,501,000	\$ 119,942,513	\$ 125,684,390
Trees and Vines	173,678,000	191,682,600	164,994,000	232,649,262	217,073,170
Vegetables, Melons, Misc.	266,414,900	221,286,700	292,002,200	278,628,295	286,172,478
Field and Seed Crops	123,545,400	69,699,800	81,328,300	149,198,052	147,185,665
Nursery	230,416,200	206,499,900	169,341,300	200,154,964	190,878,100
Apiculture	5,637,000	5,017,600	4,631,700	4,844,400	4,983,400
Aquaculture Products	12,077,700	5,243,900	4,921,700	4,808,250	4,204,750
Total Crop Valuation	\$ 947,529,000	\$ 801,082,500	\$ 857,720,200	\$ 990,225,736	\$ 976,181,953
Livestock and Poultry Valuation	321,060,900	214,672,800	235,926,300	292,030,380	276,548,118
Grand Total	<u>\$1,268,589,900</u>	<u>\$1,015,755,300</u>	<u>\$1,093,646,500</u>	<u>\$1,282,256,116</u>	<u>\$1,252,730,071</u>

Source: Riverside County Agricultural Commissioner

Transportation

Several major freeways and highways provide access between the County and all parts of Southern California. State Route 91 extends southwest through Corona and connects with the Orange County freeway network in Fullerton. Interstate 10 traverses most of the width of the County, the western-most portion of which links up with major cities and freeways in Los Angeles County and the southern part of San Bernardino County, with the eastern part linking to the County's desert cities and Arizona. Interstate 15 and 215 extend north and then east to Las Vegas, and south to San Diego. State Route 60 provides an alternate (to Interstate 10) east-west link to Los Angeles County.

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

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. There are also four municipal transit operators in the western County providing services within the cities of Banning, Beaumont, Corona and Riverside. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, service the area from Desert Hot Springs to Oasis and from Palm Springs to Riverside. The Palo Verde Valley Transit Agency provides service in the far eastern portion of the County (City of Blythe and surrounding communities).

The County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by Los Angeles World Airports, a proprietary department of the City of Los Angeles. Four major airlines schedule commercial flight service at Palm Springs Regional Airport. County-operated general aviation airports include those in Thermal, Hemet, Blythe and French Valley. The cities of Riverside, Corona, and Banning also operate general aviation airports. There is a military base at March Air Reserve Base, which converted from an active duty base to a reserve-only base on April 1, 1996. The March AFB Joint Powers Authority (the "JPA"), comprised of the County and the Cities of Riverside, Moreno Valley and Perris, is responsible for planning and developing joint military and civilian use. The JPA has constructed infrastructure improvements, entered into leases with private users and initialized a major business park project.

Education

There are four elementary school districts, one high school district, eighteen unified (K-12) school districts and four community college districts in the County. Ninety-five percent of all K-12 students attend schools in the unified school districts. The three largest unified school districts are Corona-Norco Unified School District, Riverside Unified School District and Moreno Valley Unified School District.

There are seven two-year community college campuses located in the communities of Riverside, Moreno Valley, Norco, San Jacinto, Menifee, Coachella Valley and Palo Verde Valley. There are also three universities located in the City of Riverside -- the University of California, Riverside, La Sierra University and California Baptist University.

APPENDIX C

**AUDITED FINANCIAL STATEMENTS
FOR THE CITY OF CORONA
FOR FISCAL YEAR ENDED JUNE 30, 2014**

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS

THE AUTHORITY INDENTURE

APPENDIX E

DTC AND THE BOOK ENTRY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payment of principal of, premium, if any, and interest on the Bonds to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds, and other related transactions by and between DTC, Participants and Beneficial Owners, is based on information furnished by DTC which the Authority believes to be reliable, but the Authority does not take responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of principal, premium, if any, and interest with respect to the Bonds or (b) certificates representing ownership interests in or other confirmation of ownership interests in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity (and each individual yield in the case of bifurcated maturities) of the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com; provided that nothing contained in such website is incorporated into this Official Statement.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2013 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit will agree to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF BONDS FOR REDEMPTION.

DTC (or a successor securities depository) may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority. The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC (or a successor securities depository) with respect to the Bonds. The Authority undertakes no obligation to investigate matters that would enable the Authority to make such a determination. In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

THE AUTHORITY AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL, INTEREST OR PREMIUM, IF ANY, WITH RESPECT TO THE BONDS PAID TO DTC OR ITS NOMINEE AS THE REGISTERED OWNER, OR WILL DISTRIBUTE ANY REDEMPTION NOTICES OR OTHER NOTICES, TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE AUTHORITY AND THE UNDERWRITERS ARE NOT RESPONSIBLE OR LIABLE FOR THE FAILURE OF DTC OR ANY PARTICIPANT TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE BONDS OR AN ERROR OR DELAY RELATING THERETO.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority deems reliable, but the Authority takes no responsibility for the accuracy thereof.

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

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered as described in the Indenture and payment of interest to each Owner who owns of record \$1,000,000 or more in aggregate principal amount of Bonds may be made to such Owner by wire transfer to such wire address within the United States that such Owner may request in writing for all Interest Payment Dates following the 15th day after the Trustee's receipt of such request.

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

BOND COUNSEL OPINION FOR AUTHORITY BONDS

[Closing Date]

Riverside County Public Financing Authority
Riverside, California

OPINION \$ _____ Riverside County Public Financing Authority 2014 Tax Allocation Revenue Bonds A (Corona Refunding Project)

Members of the Board of Directors:

We have acted as bond counsel to the Riverside County Public Financing Authority (the "Authority") in connection with the issuance by the Authority of its \$ _____ aggregate principal amount of Riverside County Public Financing Authority 2014 Tax Allocation Revenue Bonds, Series A (Corona Refunding Project) (the "Bonds"), pursuant to provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and an Indenture of Trust, dated as of _____ 1, 2014 (the "Indenture"), by and between the Authority and Wells Fargo Bank, N.A., as trustee (the "Trustee"). The Bonds have been issued by the Authority to provide funds to purchase two series of bonds (the "Successor Agency Bonds") of the Successor Agency to the Corona Redevelopment Agency (the "Successor Agency"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Authority and the Successor Agency contained in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State of California with the power to enter into the Indenture, to perform the agreements on its part contained therein, to issue the Bonds and to purchase the Successor Agency Bonds.

2. The Indenture has been duly approved by the Authority and constitutes the valid and binding special obligation of the Authority enforceable against the Authority in accordance with its terms.

3. The Indenture creates a valid lien on and pledge of the Revenues (as such term is defined in the Indenture) and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture, subject to no prior lien granted under the Act.

4. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding special obligations of the Authority, payable solely from the sources provided therefor in the Indenture.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the

alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the Authority comply with all requirements of the Internal Revenue Code of 1986 which must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Further, we note that the rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Successor Agency Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

A Professional Law Corporation

BOND COUNSEL OPINION FOR AGENCY BONDS

[Closing Date]

Riverside County Public Financing Authority
Riverside, California

Successor Agency to the Redevelopment Agency of the
City of Corona
Corona, California

OPINION: \$ _____ Successor Agency to the Corona Redevelopment Agency CORONA
Redevelopment Project Area Tax Allocation Refunding, Series 2014A

Members of the Successor Agency:

We have acted as bond counsel in connection with the issuance by the Successor Agency to the Corona Redevelopment Agency (the "Successor Agency") of its \$ _____ Successor Agency to the Corona Redevelopment Agency Corona Redevelopment Project Area Tax Allocation Refunding Bonds, Series 2014A (the "Bonds"), pursuant to the Community Redevelopment Law, constituting Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code of the State of California, 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 Section 34177.5 of the California Health and Safety Code (collectively, the "Law"), resolutions of the Successor Agency adopted on _____, 2014 and _____, 2014, a resolution of the Oversight Board for the Successor Agency adopted on October 8, 2014, and an Indenture of Trust dated as of _____ 1, 2014 (the "Indenture"), between Wells Fargo Bank, N.A., as trustee. We have examined the Law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Successor Agency and the former Redevelopment Agency of the City of Corona contained in the Indenture and in certified proceedings and other certifications of public officials furnished to us, without undertaking to verify such facts by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Successor Agency is validly existing as a public entity, with the power to execute and deliver the Indenture, perform the agreements on its part contained therein and to issue the Bonds.
2. The Indenture has been duly executed and delivered by the Successor Agency and constitutes a valid and binding obligation of the Successor Agency enforceable upon the Successor Agency.
3. Pursuant to the Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds.
4. The Bonds have been duly authorized, executed and delivered by the Successor Agency and are valid and binding special obligations of the Successor Agency payable solely from the sources provided therefor in the Indenture.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

A Professional Law Corporation

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of _____ 1, 2014, (this "Disclosure Agreement"), is by and between the RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "Authority"), and the SUCCESSOR AGENCY TO THE CORONA REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California (as successor agency to the Corona Redevelopment Agency, the "Agency"), in connection with the issuance of the Authority's 2014 Tax Allocation Revenue Bonds, Series 2014 A (the "Authority Bonds") (the "Authority Series B Bonds" and together with the Authority Series A Bonds, the "Authority Bonds") pursuant to an Indenture of Trust, dated as of _____ 1, 2014 (the "Indenture"), between the Authority and Wells Fargo Bank, N.A., as trustee (the "Authority Trustee").

WITNESSETH:

WHEREAS, the County of Riverside (the "County") has developed a program (the "Refunding Program") to assist the successor agencies to former community redevelopment agencies within the County to refund tax increment obligations pursuant to California Assembly Bill 1484 (Stats 2012 c. 26) ("AB 1484") in order to provide debt service savings to successor agencies and to increase property tax revenues available for distribution to affected taxing entities, including the County; and

WHEREAS, the Authority is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code to issue its bonds for the purpose of purchasing certain local obligations issued by certain local agencies, including tax allocation refunding bonds issued by said successor agencies, as described in Section 34177.5(a)(1) of the California Health and Safety Code; and

WHEREAS, the Authority has determined to issue the Authority Bonds in order to provide funds to acquire bonds issued by the Agency, in order to assist the Agency in refunding certain of its outstanding bonds pursuant to AB 1484; and

WHEREAS, the Agency has issued its Corona Redevelopment Project Area Tax Allocation Refunding, Series 2014 A (the "Series A Bonds") (the "Refunding Bonds") pursuant to an Indenture of Trust, dated as of _____ 1, 2014 (the "Indenture"), by and between the Agency and Wells Fargo Bank, N.A., as trustee (the "Agency Trustee"), as amended or supplemented from time to time in accordance with its terms; and

WHEREAS, such Refunding Bonds will be secured by a pledge of, and lien on, and shall be repaid from Tax Revenues deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172 of the California Health and Safety Code; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the Authority and the Agency for the benefit of the holders and beneficial owners of the Authority Bonds and in order to assist the underwriters of the Authority Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Agreement have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

"Annual Report" means any Annual Report provided by the Agency pursuant to, and as described in, Sections 2 and 3 hereof.

“Annual Report Date” means the date in each year that is the first day of the month following the ninth month after the end of the Agency’s fiscal year, which date, as of the date of this Disclosure Agreement, is March 1.

“Agency” means the Successor Agency to the Corona Redevelopment Agency, a public body, corporate and politic, duly organized and existing under and pursuant to the Law.

“Agency Trustee” means Wells Fargo Bank, N.A., as trustee under the Indenture, or any successor thereto as trustee thereunder, substituted in its place as provided therein.

“Authority” means the Riverside Public Financing Authority duly organized and existing under and pursuant to the laws of the State of California and a Joint Exercise of Powers Agreement, dated as of March 20, 1990, between the County and the Redevelopment Agency for the County of Riverside.

“Authority Trustee” means Wells Fargo Bank, N.A., as trustee under the Indenture, or any successor trustee substituted in its place as provided therein.

“Bonds” means, collectively, the Authority Bonds and the Refunding Bonds. **“City”** means the City of Corona, California.

“County” means the County of Riverside, a political subdivision of the State of California.

“County Auditor-Controller” means the Auditor-Controller of the County of Riverside.

“Disclosure Representative” means or other as shall designate in writing to the Authority and the Dissemination Agent (if other than the Authority) from time to time.

“Dissemination Agent” means the Authority, acting in its capacity as Dissemination Agent hereunder, or any successor dissemination agent designated in writing by the Authority and which has filed with the Authority and the Agency a written acceptance of such designation.

“Listed Events” means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” means the Official Statement, dated _____, 2014, relating to the Authority Bonds.

“Participating Underwriter” means any of the original underwriters of the Authority Bonds required to comply with the Rule in connection with the offering of the Authority Bonds.

“Project Area” shall have the meaning specified in the Official Statement.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports. (a) The Agency shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report which is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the 2013-14 Fiscal Year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the Agency, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that

date. If the Agency's fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Authority Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the Agency shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Agency and the Dissemination Agent to determine if the Agency is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) of this Section, the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein;
and

(ii) file a report with the Authority and the Agency certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

Section 3. Content of Annual Reports. The Annual Report shall be prepared by the Agency and shall contain or include by reference the following:

(a) The Agency's separate audited financial statements, or the City's audited financial statements including Agency operations as a trust fund, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements in a format similar to that used for the audited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Agency, substantially similar to that provided in the corresponding tables relating to the Agency and the Project Area in the Official Statement (and where not specified by date or period for the preceding fiscal year):

(i) Taxable assessed values for the most recent fiscal year in substantially the format of Table 4 of the Official Statement;

(ii) Tax Revenues for the most recent fiscal year;

(iii) An update of the ten largest assessesees in substantially the format of Table 1 of the Official Statement for the most recent fiscal year;

(iv) An update of Debt Service Coverage for the Bond Year ending on the immediately preceding September 1 in substantially the format of Table 5 of the Official Statement;

(v) If the Agency is not in a County Teeter Plan, tax levy, percentage of current year levy collected, percentage of current levy delinquent, total collections and total collections as a percentage of the most recent year's tax levy;

(vi) Information related to Project Area assessed valuation appeals as shown in Table 4 of the Official Statement if and to the extent provided by the County.

(c) In addition to any of the information expressly required to be provided under subsections (a) and (b) of this Section, the Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items described above may be included by specific reference to other documents, including official statements of debt issues of the Agency or related public entities, which have been submitted to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Agency shall clearly identify each such other document so included by reference.

Section 4. Reporting of Significant Events. (a) Pursuant to the provisions of this Section, the Agency shall give, or cause to be given with respect to the Refunding Bonds, and hereby authorizes the Authority to give, or cause to be given, with respect to the Authority Bonds, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies.
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (iv) Substitution of credit or liquidity providers, or their failure to perform.
- (v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).
- (vi) Tender offers.
- (vii) Redemptions and Defeasances.
- (viii) Rating changes.
- (ix) Bankruptcy, insolvency, receivership or similar event of the obligated person.

For purposes of the event identified in paragraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section, the Agency shall give, or cause to be given with respect to the Refunding Bonds, and hereby authorizes the Authority to give, or cause to be given, with respect to the

Authority Bonds, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) Unless described in paragraph (v) of subsection (a) of this Section, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.

(ii) Modifications to rights of holders of the Bonds.

(iii) Optional, unscheduled or contingent Bond calls.

(iv) Release, substitution, or sale of property securing repayment of the Bonds.

(v) Non-payment related defaults.

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vii) Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The Authority shall, within one business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and the Dissemination Agent and inform such persons of the event.

(d) Whenever the Agency or the Authority obtains knowledge of the occurrence of a Listed Event described in subsection (b) of this Section, the Agency or the Authority, as applicable shall determine if such event would be material under applicable Federal securities law.

(e) Whenever the Agency or the Authority obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that the occurrence of a Listed Event described in subsection (b) of this Section is material under subsection (d) of this Section, the Agency or the Authority, as applicable shall, or shall cause the Dissemination Agent (if the Authority is not the Dissemination Agent) to, file a notice of the occurrence of such Listed Event with the MSRB within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notice of Listed Events described in paragraph (iii) of subsection (a) of this Section and in paragraph (vii) of subsection (a) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Authority Bonds pursuant to the Indenture.

Section 5. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The obligations of the Agency, the Authority and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Authority Bonds relating to the Refunding Bonds or the legal defeasance, prior prepayment or payment in full of all of the Refunding Bonds, if earlier. If such termination occurs prior to the final principal payment date of the Authority Bonds, the Authority shall give notice of such termination in a filing with the MSRB.

Section 7. Dissemination Agent. The Agency may, from time to time, appoint or engage a Dissemination Agent (if the Authority is not the Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent (if other than the Authority

or the Authority Trustee), with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty days written notice to the Authority and the Agency.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Agency may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsections (a) or (b) of Section 4 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Authority Bonds, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Authority Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by holders of the Authority Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of holders or beneficial owners of the Authority Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Agency shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other reasonable means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Agency chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Agency shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 10. Default. The parties hereto acknowledge that in the event of a failure of the Authority, the Agency or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Authority Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate amount of principal evidenced by Outstanding Authority Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Authority Trustee), or any holder or beneficial owner of the Authority Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority, the Agency or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Agency or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall (so long as the Authority is the Dissemination Agent) be entitled to the protections and limitations from liability afforded to the Authority under the Indenture. The Dissemination Agent shall be not responsible for the form or content of financial statements made part of any Annual Report or notice of Listed Event or for information sourced to the Agency. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent (if other than the Authority or the Authority acting in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent permitted by law, the Agency shall indemnify and save the Dissemination Agent (if other than the Authority) and the Authority harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or its willful misconduct. The obligations of the Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Authority Bonds and the Refunding Bonds.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Agency, the Dissemination Agent, the Participating Underwriter and the holder and beneficial owners from time to time of the Authority Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Balance of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

**RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY**

By: _____
Treasurer

**SUCCESSOR AGENCY TO THE CORONA
REDEVELOPMENT AGENCY**

By: _____
City Manager

ACCEPTED AND AGREED:

**RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY, as Dissemination Agent**

By: _____
Authorized Officer

ACKNOWLEDGED AND AGREED:

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

By: _____
Authorized Officer

EXHIBIT G

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Riverside County Public Financing Authority
Name of Issue: Riverside County Public Financing Authority
2014 Tax Allocation Revenue Bonds, Series A
(Corona Refunding Project)
Obligated Person: Successor Agency to the Corona Redevelopment Agency
Date of Issuance: _____ 2014

NOTICE IS HEREBY GIVEN that the Successor Agency to the Corona Redevelopment Agency (the "Agency") has not provided an Annual Report with respect to the above-named bonds as required by the Continuing Disclosure Agreement, dated as of _____ 1, 2014, by and between the Riverside County Public Financing Authority and the Agency. The Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

**RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY, as Dissemination Agent, on
behalf of the Successor Agency to the CORONA
REDEVELOPMENT AGENCY**

cc: Successor Agency to the Corona Redevelopment Agency

APPENDIX H

SPECIMEN BOND INSURANCE POLICY

APPENDIX I

**STATE DEPARTMENT OF FINANCE
DETERMINATION LETTER APPROVING THE BONDS**