

Material Event Disclosure – July 25, 2016

City of Riverside 2008 Water Revenue Bonds, Series B

Pursuant to the requirements of the Continuing Disclosure Certificate for the above referenced issue, notice is hereby given of a material event consistent with Rule 15c2-12 of the Securities and Exchange Commission. The following material events have occurred:

- **Actions taken relative to the rating on the bonds:**

- (1) – On July 12, 2016, Standard and Poor lowered its underlying rating (SPUR) to “AA+” from “AAA” for the City of Riverside’s water revenue bonds. Reflecting S&P’s revised rating criteria for U.S. Municipal Waterworks and Sanitary Sewer Utility Revenue Bonds, as published in RatingsDirect on Jan. 19, 2016.
- (2) – On July 22, 2016, Standard and Poor raised its underlying rating (SPUR) to “AAA” from “AA+” for the City of Riverside’s water revenue bonds. Reflecting S&P’s further clarity on the City’s upcoming rate plan and financial forecast.

THE BELOW DISCLOSURE INFORMATION HAS PREVIOUSLY BEEN PROVIDED

- **Actions taken relative to Assured Guaranty Municipal Corporation AGMC (formerly FSA) rating:**

- (3) – On May 11, 2009, Fitch decreased its rating from “AAA” to “AA+”
- (4) – On October 12, 2009, Fitch decreased its rating from “AA+” to “AA”
- (5) – On November 12, 2009, Moody’s confirmed its rating of AGMC at “Aa3”
- (6) – On February 24, 2010, Fitch withdrew its rating of AGMC
- (7) – On October 25, 2010, Standard & Poor’s decreased its rating from “AAA” to “AA+”
- (8) – On November 30, 2011, Standard & Poor’s decreased its rating from “AA+” to “AA-”
- (9) – On January 17, 2013, Moody’s decreased its rating from “Aa3” to “A2”
- (10) – On March 18, 2014, Standard & Poor’s increased its rating from “AA-” to “AA”

AGMC provides an insurance policy guaranteeing the scheduled payment of principal and interest on the bonds.

- **Actions taken relative to the rating on the bonds:**

- (1) - In 2008, Standard and Poor's upgraded the individual rating for the City of Riverside's Water Utility from "AA" to "AA+". This is S&P's underlying rating for all outstanding Water Utility bonds.
- (2) - In accordance with its March 25, 2010, report "Recalibration of U.S. Public Finance Ratings", Fitch has recalibrated its rating on the bonds from "AA" to "AA+"
- (3) - On May 5, 2011, Standard and Poor raised its underlying rating (SPUR) to "AAA" from "AA+" for previously issued water revenue bonds.

- **Substitution of Credit provider:**

- (1) - On July 1, 2009, the insurer Financial Security Assurance Inc. (FSA) was acquired by Assured Guaranty Municipal Corporation (AGMC).

- **Actions taken relative to Financial Security Assurance Inc.'s (FSA) rating:**

- (1) - On November 21, 2008, Moody's decreased its rating from "Aaa" to "Aa3"
- (2) - On May 11, 2009, Fitch decreased its rating from "AAA" to "AA+"

FSA provided an insurance policy guaranteeing the scheduled payment of principal and interest on the bonds.