

LIMITED REOFFERING SUPPLEMENT NO. 1 TO OFFICIAL STATEMENT DATED APRIL 25, 2008

Not a New Issue — Book-Entry Only

Ratings: See the caption "RATINGS."

On May 1, 2008, the date of the original issuance of the Bonds, Norton Rose Fulbright US LLP, formerly known as Fulbright & Jaworski L.L.P., Los Angeles, California, delivered its opinion that, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California and, assuming compliance with the tax covenants described herein, interest on the Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. See the caption "TAX MATTERS."

\$41,975,000

CITY OF RIVERSIDE, CALIFORNIA

VARIABLE RATE REFUNDING ELECTRIC REVENUE BONDS, ISSUE OF 2008C
(CUSIP 768874 PU7)

Date of Original Issuance: May 1, 2008

Price: 100%

Due: October 1, 2035

This Limited Reoffering Supplement No. 1 to Official Statement dated April 25, 2008, including the appendices hereto and the documents that are incorporated by reference herein (this "**Limited Reoffering Supplement**") sets forth certain information which is supplementary to that contained in the original Official Statement dated May 1, 2008 (the "**Official Statement**") relating to the City of Riverside, California Variable Rate Refunding Electric Revenue Bonds, Issue of 2008C, which were originally issued in the aggregate principal amount of \$57,325,000 and which are currently outstanding in the aggregate principal amount of \$41,975,000 (the "**Bonds**"). The Bonds were issued pursuant to Resolution No. 17662, adopted by the City Council of the City of Riverside, California (the "**City**") on January 8, 1991 (the "**Master Resolution**"), as supplemented by Resolution No. 21613, adopted by the City Council of the City on April 22, 2008 (the "**Twelfth Supplemental Resolution**" and, together with the Master Resolution, the "**Resolution**"). U.S. Bank National Association is serving as fiscal agent and tender agent for the Bonds (the "**Fiscal Agent**" and the "**Tender Agent**," respectively). The proceeds of the Bonds were used to refund certain prior obligations of the City.

This Limited Reoffering Supplement is provided to furnish certain information with respect to the substitution of the irrevocable, transferable direct-pay letter of credit supporting the Bonds. After the substitution, the Bonds will continue to bear interest in the Weekly Mode. Information with respect to the Bonds is contained in the Official Statement, as supplemented by this Limited Reoffering Supplement. This Limited Reoffering Supplement should be read together with the Official Statement (a copy of which Official Statement is attached hereto as Appendix B and incorporated herein by reference). All references to any documents or other materials are qualified in their entirety by reference to the complete provisions of such documents and other material. To the extent that the information in this Limited Reoffering Supplement conflicts with the information in the Official Statement, this Limited Reoffering Supplement will govern. No attempt has been made to update the Official Statement except as specifically set forth in this Limited Reoffering Supplement. Unless otherwise defined in this Limited Reoffering Supplement, all capitalized terms that are used herein but not defined have the meanings that are set forth in the Official Statement.

The payment of the principal, redemption price and purchase price of and interest on the Bonds will be supported by an irrevocable, direct-pay letter of credit (the "**Letter of Credit**") issued by Barclays Bank PLC (the "**Credit Provider**"), upon which the Tender Agent has been instructed to draw.



The Letter of Credit has a stated expiration of date of April 16, 2021, subject to earlier termination under conditions described herein, and may be extended or replaced by an Alternate Credit Support Instrument or other security at or prior to termination.

The Bonds are special limited obligations of the City and are payable solely from Net Operating Revenues of the City's Electric System. The Bonds do not constitute a general obligation or indebtedness of the City. The Bonds are secured by a pledge of the Net Operating Revenues on a parity with other electric revenue bonds of the City which are currently outstanding in the aggregate principal amount of \$_____ and any additional electric revenue bonds and other Parity Debt that are issued in the future.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO PLACE SOLE RELIANCE FOR PAYMENT OF PRINCIPAL, REDEMPTION PRICE AND PURCHASE PRICE OF AND INTEREST ON THE BONDS UPON THE CREDIT OF THE CREDIT PROVIDER AND NOT UPON THE FINANCIAL STATUS OR PROSPECTS OF THE CITY OR THE CITY'S ELECTRIC SYSTEM. THE INFORMATION REGARDING THE CITY AND THE CITY'S ELECTRIC SYSTEM IN THIS LIMITED REOFFERING SUPPLEMENT IS NOT, AND IS NOT INTENDED TO BE, COMPLETE, AND DOES NOT FULLY DESCRIBE THE CITY OR THE CITY'S ELECTRIC SYSTEM. FURTHER, THE INFORMATION IN THIS LIMITED REOFFERING SUPPLEMENT IS NOT INTENDED AS A SUBSTITUTE FOR INVESTORS' OWN INQUIRY INTO THE CREDITWORTHINESS OF THE CREDIT PROVIDER, AND INVESTORS ARE ENCOURAGED TO MAKE SUCH INQUIRY. SEE THE CAPTIONS "INVESTMENT CONSIDERATIONS" AND "RATINGS."

THE BONDS ARE BEING OFFERED ONLY TO CERTAIN "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SEE THE CAPTION "NOTICE TO INVESTORS."

Certain legal matters related to this Limited Reoffering Supplement will be passed upon by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel to the City. Certain matters will be passed upon for the City by the City Attorney and for the Credit Provider by McDermott Will & Emery LLP, New York, New York. The Bonds in book-entry form are available through the facilities of DTC. Merrill Lynch, Pierce, Fenner & Smith Incorporated is serving as Remarketing Agent for the Bonds and will remarket the Bonds on April 18, 2017 following their mandatory tender.

BofA Merrill Lynch

April __, 2017

DOCSOC/1800131v4/022025-0049

The information that is contained in this Limited Reoffering Supplement has been obtained from the City, the Credit Provider and other sources that are believed to be reliable. Such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the City, the Credit Provider or the Remarketing Agent. This Limited Reoffering Supplement is submitted in connection with the remarketing of the securities referred to herein, and may not be reproduced or be used, in whole or in part, for any other purpose. Neither the delivery of this Limited Reoffering Supplement nor any sale made hereunder will under any circumstances at any time imply that the information herein is correct as of any time subsequent to its date.

No dealer, broker, salesman or any other person has been authorized by the City, the Credit Provider or the Remarketing Agent to give any information or to make any representations other than those contained in this Limited Reoffering Supplement in connection with the remarketing described herein 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 Limited Reoffering Supplement does not constitute an offer or reoffering of any securities, other than those described on the cover page, or an offer to sell or a solicitation of any offer to buy in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

This Limited Reoffering Supplement contains statements which, to the extent that they are not recitations of historical fact, may 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. In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward-looking statements. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Although the City believes that the expectations that are reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The City is not obligated to issue any updates or revisions to the forward-looking statements if, or when, its expectations, or events, conditions or circumstances upon which such statements are based, change.

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

For purposes of satisfying suitability requirements imposed by the Remarketing Agent, the Bonds will be remarketed in a limited sale with no more than 35 to "qualified institutional buyers" (as such term is defined under Rule 144A of the Securities Act of 1933, as amended).

IN CONNECTION WITH THIS REMARKETING, THE REMARKETING AGENT MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTION CONTAINED IN SECTION 3(A)(2) OF SUCH ACT. THE RESOLUTION HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT.

NOTICE TO INVESTORS

Because of certain suitability requirements and the following investor representations, purchasers of the Bonds are advised to consult legal counsel prior to making any purchase of the Bonds.

The Bonds are to be remarketed and sold to no more than thirty-five persons who are "Qualified Institutional Buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. The Remarketing Agent expects to remarket the Bonds such that:

(i) Each purchaser from the Remarketing Agent, based upon the knowledge of the Remarketing Agent after verbal inquiry (but otherwise without independent investigation), is an institutional purchaser that is a Qualified Institutional Buyer or, if such purchaser is buying for an account for which such purchaser is acting as fiduciary or agent, such account is a Qualified Institutional Buyer;

(ii) Each purchaser from the Remarketing Agent, to the best knowledge of the Remarketing Agent but without independent investigation, is acquiring the Bonds for its own account or for not more than one account for which it is acting as fiduciary or agent in a minimum amount of not less than \$500,000, without a view to any sale or distribution thereof, and has acknowledged on its own behalf or on behalf of any such account for which it is purchasing the Bonds that the authorized denomination of the Bonds will be \$500,000 or any integral multiple of \$5,000 in excess thereof; and

(iii) Each purchaser from the Remarketing Agent has been provided with access to such financial and other information as it has requested in connection with its decision to purchase any Bonds.

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**LIMITED REOFFERING SUPPLEMENT NO. 1 TO OFFICIAL STATEMENT
DATED APRIL 25, 2008**

**\$41,975,000
CITY OF RIVERSIDE, CALIFORNIA
VARIABLE RATE REFUNDING ELECTRIC REVENUE BONDS, ISSUE OF 2008C**

INTRODUCTORY STATEMENT

This Limited Reoffering Supplement No. 1 to Official Statement dated April 25, 2008, including the appendices hereto and the documents that are incorporated by reference herein (this **“Limited Reoffering Supplement”**) sets forth certain information which is supplementary to that contained in the original Official Statement dated May 1, 2008 (the **“Official Statement”**) relating to the City of Riverside, California Variable Rate Refunding Electric Revenue Bonds, Issue of 2008C, which were originally issued in the aggregate principal amount of \$57,325,000 and which are currently outstanding in the aggregate principal amount of \$41,975,000 (the **“Bonds”**). The Bonds were issued pursuant to Resolution No. 17662, adopted by the City Council of the City of Riverside, California (the **“City”**) on January 8, 1991 (the **“Master Resolution”**), as supplemented by Resolution No. 21613, adopted by the City Council of the City on April 22, 2008 (the **“Twelfth Supplemental Resolution”** and, together with the Master Resolution, the **“Resolution”**). U.S. Bank National Association is serving as fiscal agent and tender agent for the Bonds (the **“Fiscal Agent”** and the **“Tender Agent,”** respectively). The proceeds of the Bonds were used to refund certain prior obligations of the City.

This Limited Reoffering Supplement is provided to furnish certain information with respect to the substitution of the irrevocable, transferable direct-pay letter of credit supporting the Bonds. After the substitution, the Bonds will continue to bear interest in the Weekly Mode as described in the Official Statement. Information with respect to the Bonds is contained in the Official Statement, as supplemented by this Limited Reoffering Supplement. This Limited Reoffering Supplement should be read together with the Official Statement (a copy of which Official Statement is attached hereto as Appendix B and incorporated herein by reference). All references to any documents or other materials are qualified in their entirety by reference to the complete provisions of such documents and other material. To the extent that the information in this Limited Reoffering Supplement conflicts with the information in the Official Statement, this Limited Reoffering Supplement will govern. No attempt has been made to update the Official Statement except as specifically set forth in this Limited Reoffering Supplement. Unless otherwise defined in this Limited Reoffering Supplement, all capitalized terms that are used herein but not defined have the meanings that are set forth in the Official Statement.

The payment of the principal, redemption price and purchase price of and interest on the Bonds is currently supported by an irrevocable, transferable direct pay letter of credit of Bank of America, N.A. (the **“Prior Letter of Credit”**).

On April 18, 2017 (the **“Substitution Date”**), Barclays Bank PLC (the **“Credit Provider”**) will issue in favor of the Fiscal Agent on behalf of the Bondholders an irrevocable direct-pay letter of credit (the **“Letter of Credit”**) in substitution for the Prior Letter of Credit as an Alternate Credit Support Instrument under the provisions of the Resolution. The Letter of Credit will be issued pursuant to the Reimbursement Agreement, dated as of April __, 2017 (the **“Reimbursement Agreement”**), by and between the Credit Provider and the City. See the caption **“THE CREDIT FACILITY.”**

The Bonds will be subject to mandatory tender for purchase on the Substitution Date and will be remarketed. Payment of the purchase price of the Bonds tendered for purchase on the Substitution Date and not remarketed will be payable from funds drawn under the Prior Letter of Credit. Such purchase will be made first, from remarketing proceeds and second, to the extent that remarketing proceeds are insufficient, from funds drawn under the Prior Letter of Credit.

The Bonds will be remarketed by Merrill Lynch, Pierce, Fenner & Smith Incorporated (the **“Remarketing Agent”**).

From and after the Substitution Date, payment of the principal and purchase price of and interest on the Bonds will be supported by the Letter of Credit. The Letter of Credit has a stated expiration of date of ____, 20__, subject to earlier termination under conditions described herein, and may be extended or replaced by an Alternate Credit Support Instrument or other security at or prior to termination. See the caption **“THE CREDIT FACILITY.”**

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY AND ARE PAYABLE SOLELY FROM NET OPERATING REVENUES OF THE CITY’S ELECTRIC SYSTEM. THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE CITY. THE BONDS ARE SECURED BY A PLEDGE OF THE NET OPERATING REVENUES ON A PARITY WITH OTHER ELECTRIC REVENUE BONDS OF THE CITY WHICH ARE CURRENTLY OUTSTANDING IN THE AGGREGATE PRINCIPAL AMOUNT OF \$____ AND ANY ADDITIONAL ELECTRIC REVENUE BONDS AND OTHER PARITY DEBT THAT ARE ISSUED IN THE FUTURE.

WHILE THE RESOLUTION OBLIGATES THE CITY TO MAKE PAYMENTS THAT ARE SUFFICIENT TO PAY PRINCIPAL, REDEMPTION PRICE AND INTEREST ON THE BONDS, AS WELL AS THE PURCHASE PRICE OF BONDS THAT ARE TENDERED OR DEEMED TENDERED FOR PURCHASE, IN THE EVENT THAT SUCH PRINCIPAL, REDEMPTION PRICE, INTEREST OR PURCHASE PRICE ARE NOT PAID FROM THE PROCEEDS OF REMARKETING THE BONDS OR AMOUNTS DRAWN UPON THE LETTER OF CREDIT, NO ASSURANCES CAN BE GIVEN THAT THE CITY WILL HAVE SUFFICIENT FUNDS AVAILABLE FOR SUCH PURPOSES. IN DETERMINING WHETHER TO PURCHASE THE BONDS, INVESTORS SHOULD MAKE THEIR INVESTMENT DECISION BASED UPON THE LETTER OF CREDIT AND SHOULD NOT RELY UPON THE CITY HAVING SUFFICIENT FUNDS AVAILABLE TO PAY THE REDEMPTION PRICE AND INTEREST OR PURCHASE PRICE OF THE BONDS. AS LONG AS THE BONDS ARE SUPPORTED BY THE LETTER OF CREDIT, INVESTORS SHOULD MAKE ANY DECISION WITH RESPECT TO THE PURCHASE, HOLDING OR TENDER OF BONDS BASED ON THE CREDIT OF THE CREDIT PROVIDER AND NOT THE CITY. THE INFORMATION REGARDING THE CITY AND THE ELECTRIC SYSTEM IN THIS LIMITED REOFFERING SUPPLEMENT IS NOT, AND IS NOT INTENDED TO BE, COMPLETE AND DOES NOT FULLY DESCRIBE THE CITY OR THE ELECTRIC SYSTEM. FURTHER, THE INFORMATION IN THIS LIMITED REOFFERING SUPPLEMENT IS NOT INTENDED AS A SUBSTITUTE FOR INVESTORS’ OWN INQUIRY INTO THE CREDITWORTHINESS OF THE CREDIT PROVIDER, AND INVESTORS ARE ENCOURAGED TO MAKE SUCH INQUIRY. SEE THE CAPTIONS **“INVESTMENT CONSIDERATIONS”** AND **“RATINGS.”**

Upon the expiration or replacement of the Letter of Credit, the Bonds will be subject to mandatory tender for purchase as described under the caption **“DESCRIPTION OF THE VARIABLE RATE 2008 BONDS—Purchase of Variable Rate 2008 Bonds”** in the Official Statement.

Brief descriptions and summaries of certain provisions of the Letter of Credit and the Reimbursement Agreement are included in this Limited Reoffering Supplement. Certain information with respect to the Credit Provider is set forth in Appendix A to this Limited Reoffering Supplement. Such descriptions and summaries do not purport to be comprehensive. All references herein to the Letter of Credit and the Reimbursement Agreement are qualified in their entirety by reference to such documents. Copies of the Resolution, the Remarketing Agreement, the Letter of Credit and the Reimbursement Agreement may be obtained from the Fiscal Agent or the City.

MANDATORY SINKING ACCOUNT REDEMPTION

The following replaces the information in the Official Statement under the caption "DESCRIPTION OF THE VARIABLE RATE 2008 BONDS—Redemption Provisions—Mandatory Sinking Account Redemption—2008C Bonds" in its entirety.

The Bonds are subject to mandatory sinking account redemption, in part, on October 1, 2035, and on each October 1 thereafter, at a redemption price equal to 100% of the principal amount of such Bonds to be redeemed, from Mandatory Sinking Account payments required to be deposited in the Principal Account of the Bond Service Account of the Electric Revenue Fund, plus accrued interest thereon to the date of redemption, in the principal amounts set forth in the following table, without premium.

<i>Redemption Date (October 1)</i>	<i>Principal Amount</i>
2018	\$ 900,000
2019	1,775,000
2020	1,825,000
2021	1,900,000
2022	1,950,000
2023	750,000
2024	725,000
2025	725,000
2026	700,000
2027	725,000
2028	725,000
2029	725,000
2030	4,350,000
2031	4,500,000
2032	4,675,000
2033	4,825,000
2034	900,000
2035*	1,775,000

* Final Maturity.

THE CREDIT FACILITY

The following replaces the information in the Official Statement under the caption "THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENT," solely as such information relates to the Bonds (but not any other series of bonds), in its entirety.

The following summarizes certain provisions of the Irrevocable Transferable Letter of Credit to be issued by the Credit Provider and the Reimbursement Agreement, to which documents reference is made for the complete provisions thereof. Such summary does not purport to be a complete description or restatement of the material provisions of the Reimbursement Agreement and the Letter of Credit. The provisions of any substitute letter of credit and related reimbursement agreement may be different from those summarized below. Investors should obtain and review a copy of the Reimbursement Agreement and the Letter of Credit in order to understand all terms of the documents. Except for the terms "Credit Provider" and "Substitution Date," capitalized terms used in the following summary are defined in the Reimbursement Agreement and reference thereto is made for full understanding of their import.

The obligations of the Credit Provider under the Reimbursement Agreement or Letter of Credit may be subject to the exercise of so called "write-down and conversion powers" (also sometimes referred to as

“resolution powers” or “bail-in action”) in accordance with the Banking Act 2009 of the United Kingdom (as amended) and other laws, regulations, rules or requirements of the United Kingdom relating to the transposition of Directive 2014/59 of the European Union (the Bank Resolution and Recovery Directive), including the power of United Kingdom regulators to reduce, cancel or convert to equity liabilities of unsound or failing financial institutions (as set forth in the Reimbursement Agreement).

Letter of Credit

The Letter of Credit is an irrevocable obligation of the Credit Provider. The Letter of Credit will be issued in an amount (which amount may from time to time be reduced and reinstated, the “**Stated Amount**”) equal to the aggregate principal amount of the Bonds outstanding as of the Substitution Date, plus 57 days’ accrued interest thereon, at the rate of 12% per annum and assuming a year of 365 days, subject to adjustment in accordance with the Letter of Credit.

The Tender Agent, upon compliance with the terms of the Letter of Credit, and subject to the last sentence of this paragraph, is authorized to draw a maximum aggregate amount not exceeding the Stated Amount, sufficient: (i) to pay accrued interest on the Bonds; (ii) to pay the principal amount of and accrued interest on the Bonds in respect of any optional redemption of the Bonds (subject to certain provisions of the Reimbursement Agreement) or Mandatory Sinking Account Redemption of the Bonds; (iii) to pay the principal amount of and accrued interest on the Bonds delivered for purchase in accordance with the Twelfth Supplemental Resolution (a “**Liquidity Drawing**”); and (iv) to pay the principal amount of the Bonds maturing on October 1, 2035. Any Bond deemed to have been purchased by the Credit Provider pursuant to the terms of the Reimbursement Agreement shall thereupon become a Bank Bond. No drawing under the Letter of Credit may be made with respect to Bank Bonds, Bonds bearing interest at a rate other than the Weekly Interest Rate, or Bonds owned by or on behalf of the City.

The amount available under the Letter of Credit will be reduced automatically by the amount of any drawing thereunder, subject to reinstatement as described below. With respect to a drawing by the Tender Agent solely to pay interest on the Bonds on an interest payment date, the amount available under the Letter of Credit will be automatically reinstated effective at 9:00 a.m. New York time on the seventh (7th) calendar day following the date of payment by the Credit Provider of such drawing if the Tender Agent shall not have received notice from the Credit Provider in the form attached to the Letter of Credit by facsimile (or other communication) prior to 5:00 p.m. New York time on the sixth (6th) calendar day following the date of payment by the Credit Provider that the Credit Provider has not been reimbursed in full for such interest drawing or that any other Event of Default under the Reimbursement Agreement has occurred and, as a result thereof, the Letter of Credit will not be reinstated. With respect to a Liquidity Drawing upon a remarketing of such Bonds (or portions thereof) purchased with the proceeds of such Liquidity Drawing and upon notice to the Credit Provider by the Tender Agent in the form required by the Letter of Credit and receipt by the Credit Provider of funds, the Available Amount of the Letter of Credit will be automatically reinstated in the amount indicated in such certificate from the Tender Agent.

The Letter of Credit will terminate on the earliest of the Credit Provider’s close of business on: (a) the stated expiration date (April 16, 2021, as extended from time to time); (b) the earlier of (i) the date which is five (5) days following the date on which all of the Bonds bear interest at a rate other than the Weekly Interest Rate, as such date is specified in a certificate in the form attached to the Letter of Credit (the “**Conversion Date**”) or (ii) the date on which the Credit Provider honors a drawing under the Letter of Credit on or after the Conversion Date; (c) the date on which the Credit Provider receives written notice from the Tender Agent that (i) no Bonds remain Outstanding within the meaning of the Resolution, (ii) all drawings required to be made under the Twelfth Supplemental Resolution and available under the Letter of Credit have been made and honored, or (iii) a letter of credit has been issued in substitution for the Letter of Credit in accordance with the terms of the Resolution; (d) the date on which a Stated Maturity Drawing is honored by the Credit Provider; and (e) the date which is fifteen (15) days following the date the Tender Agent receives a written notice from

the Credit Provider specifying the occurrence of a Reimbursement Agreement Event of Default (as defined below) and directing the Tender Agent to cause a mandatory tender of the Bonds.

Reimbursement Agreement Events of Default

Pursuant to the Reimbursement Agreement, the occurrence of any of the following events shall constitute an event of default thereunder (each, a “**Reimbursement Agreement Event of Default**”):

- (a) the City shall fail to pay, or cause to be paid, as and when due any Obligation; or
- (b) the City shall fail to pay, or cause to be paid, when due any Parity Debt (as defined in the Reimbursement Agreement); or
- (c) any representation or warranty made by or on behalf of the City to the Credit Provider in the Reimbursement Agreement, a Related Document or in any certificate or statement delivered under the Reimbursement Agreement shall be incorrect or untrue in any material respect when made or deemed to have been made; or
- (d) any “event of default” under any Related Document which is not cured within any applicable cure period shall occur; or
- (e) default in the due observance or performance of certain covenants set forth in the Reimbursement Agreement; or
- (f) default in the due observance or performance of any other term, covenant or agreement set forth in the Reimbursement Agreement or any other Related Document and the continuance of such default for fifteen (15) days after knowledge by the City or notice from the Credit Provider; or
- (g) any provision of the Reimbursement Agreement or any material provision of the Related Documents shall cease to be valid and binding, or a senior officer of the City or the City shall contest any such provision, or a senior officer of the City, or any agent or trustee on its behalf shall (A) deny that it has any or further liability (y) under the Reimbursement Agreement or any of the Related Documents to which it is a party, or (z) with respect to its obligations to pay any Parity Debt (as defined in the Reimbursement Agreement); or (B) claim that any of the Related Documents are invalid; or
- (h) an Event of Insolvency shall have occurred with respect to the City; or
- (i) dissolution or termination of the existence of the City; or
- (j) the City or any governmental agency or authority with jurisdiction over the City shall initiate any legal proceedings to seek an adjudication that the Reimbursement Agreement, the Bonds, or any Related Document or its obligation to pay any Parity Debt (as defined in the Reimbursement Agreement) is not valid or not binding on the City; or
- (k) any court of competent jurisdiction or other governmental entity with jurisdiction to rule on the validity of the Reimbursement Agreement, the Bonds or any of the Related Documents, shall announce, find or rule that the Reimbursement Agreement, the Bonds or any of the Related Documents is not valid or not binding on City; or
- (l) one or more final, nonappealable judgments against the City, or attachments against the property of the City, the operation or result of which, individually or in the aggregate, equal or exceed \$10,000,000 and which are secured by or payable from Gross Operating Revenues or Net Operating Revenues shall remain unpaid, unstayed, discharged, unbonded or undismissed for a period of sixty (60) days; or

(m) (i) the long-term, unenhanced debt rating assigned to any Parity Debt (as defined in the Reimbursement Agreement) shall be withdrawn or suspended by S&P or Fitch; (ii) ninety (90) days after the long-term, unenhanced debt rating assigned to any Parity Debt (as defined in the Reimbursement Agreement) shall be reduced below “BBB+” by Fitch or “BBB+” by S&P; or (iii) no Parity Debt (as defined in the Reimbursement Agreement) shall have a long-term unenhanced rating from S&P or Fitch; or

(n) there shall be appointed or designated with respect to the City or the Electric System, an entity such as an organization, board, commission, authority, agency or body to monitor or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it; or

(o) a ruling, assessment, notice of deficiency or technical advice by the Internal Revenue Service shall be rendered to the effect that interest on the Bonds is includable in the gross income of the holder(s) or owner(s) of such Bonds and either: (i) the City, after it has been notified by the Internal Revenue Service, shall not challenge such ruling, assessment, notice or advice in a court of law during the period within which such challenge is permitted; or (ii) the City shall challenge such ruling, assessment, notice or advice and a court of law shall make a determination, not subject to appeal or review by another court of law, that such ruling, assessment, notice or advice is correctly rendered; or

(p) (i) default under any mortgage, agreement or other instrument under or pursuant to which Parity Debt (as defined in the Reimbursement Agreement) is incurred or issued, and continuance of such default beyond the period of grace, if any, allowed with respect thereto; or (ii) the City shall fail to perform any other agreement, term or condition contained in any agreement under which any such obligation is created or secured which results in such Parity Debt (as defined in the Reimbursement Agreement) becoming, or being capable of becoming, immediately due and payable, or, with respect to any Parity Debt (as defined in the Reimbursement Agreement) that is a Swap Contract, which results in such Swap Contract being terminated early or being capable of being terminated early; or

(q) any of the funds or accounts established pursuant to the Resolution or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of the City and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy; or

(r) any pledge or security interest created by the Reimbursement Agreement or any Related Document to secure any amount due by the City under the Reimbursement Agreement or with respect to the Bonds shall fail to be fully enforceable with the priority required under the Reimbursement Agreement or any Related Document.

Reimbursement Agreement Remedies

Upon the occurrence of any of the above described Reimbursement Agreement Events of Default, the Credit Provider may exercise any one or more of the following rights and remedies in addition to any other remedies provided in the Reimbursement Agreement or by law provided:

(a) by notice to the City declare all Obligations to be and such amounts shall thereupon become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; and/or

(b) give written notice to the Tender Agent with a copy to the City specifying that an Event of Default has occurred and is continuing, and that the Tender Agent is to give notice of mandatory tender of the Bonds thereby causing the Letter of Credit to expire fifteen (15) days thereafter, whereupon all amounts drawn

under the Letter of Credit, all Liquidity Advances, all interest thereon and all other amounts payable under the Reimbursement Agreement or in respect of the Reimbursement Agreement shall automatically be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the City; and/or

(c) exercise any and all other rights and remedies provided in the Reimbursement Agreement or under the Related Documents; and/or

(d) pursue any other action available at law or in equity.

INVESTMENT CONSIDERATIONS

Ownership of the Bonds is subject to risk. Prospective investors in the Bonds should review all of the information in this Limited Reoffering Supplement carefully, together with the Official Statement, prior to purchasing any of the Bonds. Set forth below are certain risks assumed by the owners of the Bonds. The below is not intended to be a complete enumeration of all risks associated with the purchase or holding of the Bonds and the order in which such matters are listed is not intended to reflect the relative importance of such risks.

Limited Obligation of the City

The Bonds are special, limited obligations of the City and are payable solely from the sources that are described in this Limited Reoffering Supplement, read together with the Official Statement. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” in the Official Statement.

Reliance on the Letter of Credit and the Creditworthiness of the Credit Provider

Prospective investors should not expect the City to pay directly the principal, redemption price or purchase price of or interest on the Bonds. Under the Resolution, the Tender Agent is required to draw on the Letter of Credit to provide for payment of the principal of and interest on the Bonds when due and for payment of the purchase price of such Bonds tendered or deemed tendered for purchase and not remarketed. Payment under the Letter of Credit depends on the creditworthiness of the Credit Provider. Accordingly, any investment decision to purchase the Bonds should be made solely on the basis of the creditworthiness of the Credit Provider. In the event of a bankruptcy or insolvency of the Credit Provider, or if for any other reason the Tender Agent fails or is unable to draw on the Letter of Credit, sufficient moneys may not be available from the City to pay the principal of, premium, if any, and interest on the Bonds. There can be no assurance that the Credit Provider will maintain its present financial condition or that an adverse change in such condition will not adversely affect its ability to honor future drawings under the Letter of Credit.

A downgrade of the credit rating of the Credit Provider will result in a corresponding downgrade of the rating on the Bonds. The Resolution permits the City to substitute the Letter of Credit with an Alternate Credit Support Instrument that meets the requirements of the Resolution, which will cause a mandatory tender of the Bonds.

Expiration of Letter of Credit

The Letter of Credit has a stated expiration of date of April 16, 2021 (which is prior to the maturity of the Bonds) subject to earlier termination under conditions described herein. The Letter of Credit may be extended or replaced by an Alternate Credit Support Instrument or other security at or prior to termination. In the event that the Letter of Credit is not extended or renewed, the Bonds are subject to mandatory purchase at the purchase price. See the caption “DESCRIPTION OF THE VARIABLE RATE 2008 BONDS—Purchase of Variable Rate 2008 Bonds” in the Official Statement.

Alternate Credit Support Instrument

Under the Resolution, if the City furnishes the Fiscal Agent with an Alternate Credit Support Instrument that conforms to the applicable requirements of the Resolution, the Fiscal Agent will be obligated to accept delivery of such Alternate Credit Support Instrument. In such event, the owners of the Bonds will be obligated to tender their Bonds to the Tender Agent for mandatory purchase at the purchase price. Under the Resolution, the Tender Agent will be obligated to draw funds under the Letter of Credit sufficient to provide for payment of the purchase price when due.

Occurrences Relating to Reimbursement Agreement

In the Reimbursement Agreement, the City has made certain representations, warranties and covenants for the benefit of the Credit Provider. A failure by the City to reimburse the Credit Provider for payments made by the Credit Provider under the Letter of Credit, to pay other amounts due to the Credit Provider under the Reimbursement Agreement or to comply with any of the other representations, warranties and covenants in the Reimbursement Agreement may result in an Event of Default (as such term is defined in the Reimbursement Agreement) under the Reimbursement Agreement. The occurrence of certain defaults under the Reimbursement Agreement may cause an acceleration of all amounts that are due under the Reimbursement Agreement (referred to therein as “Obligations”). See the caption “THE CREDIT FACILITY—Reimbursement Agreement Remedies.” The Reimbursement Agreement is a complex credit document which is summarized in part in this Limited Reoffering Supplement. However, the summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Reimbursement Agreement.

Redemption Prior to Maturity and Mandatory Tender

In considering whether to make an investment in the Bonds, potential investors should consider the information included in the Official Statement under the caption ““DESCRIPTION OF THE VARIABLE RATE 2008 BONDS—Redemption Provisions—Optional Redemption.” The Bonds are subject to optional redemption, in whole or in part, on any date, without payment of any redemption premium or penalty. The Bonds are also subject to mandatory tender for purchase upon certain conditions, including the provision of an Alternate Credit Support Instrument in accordance with the provisions of the Resolution and the conversion of the interest rate mode of the Bonds to another interest rate mode, at a purchase price equal to the outstanding principal amount of such Bonds plus accrued interest, if any, all as more fully described in the Official Statement. See the caption “DESCRIPTION OF THE VARIABLE RATE 2008 BONDS—Purchase of Variable Rate 2008 Bonds” in the Official Statement. The effect on Bondholders and Beneficial Owners of any such mandatory tender for purchase would be similar to that of an early redemption of such Bonds at par.

Effect of Bankruptcy on Security for the Bonds

Bankruptcy proceedings and equity principles may delay or otherwise adversely affect the ability of the Tender Agent to obtain amounts under the Letter of Credit or the Resolution. Remedies under the Letter of Credit and the Resolution under existing law may not be readily available or may be limited. Also, federal bankruptcy law permits adoption of a reorganization plan for a debtor even though it has not been accepted by the holders of a majority in aggregate principal amount of the related issue of Bonds, if the related Bondholders and Beneficial Owners are provided with the benefit of their original lien or the “indubitable equivalent.” In addition, if the bankruptcy court concludes that the Bondholders and Beneficial Owners have “adequate protection,” it may: (a) substitute other security subject to the lien in favor of Bondholders; and (b) subordinate the lien in favor of Bondholders: (i) to claims by persons supplying goods and services to the debtor after bankruptcy; and (ii) to the administrative expenses of the bankruptcy proceeding. The bankruptcy court may also have the power to invalidate certain provisions of the Resolution that make bankruptcy and related proceedings by the City an event of default thereunder.

The various legal opinions that were delivered in connection with the original issuance of the Bonds and to be delivered concurrently with the delivery of the Letter of Credit were and will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by general principles of equity applied in the exercise of judicial discretion. The various legal opinions that were delivered in connection with the original issuance of the Bonds and to be delivered concurrently with the delivery of the Letter of Credit were and will be expressly subject to the qualification that the enforceability of the Resolution, the Letter of Credit, the Reimbursement Agreement and other legal documents are limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the rights of creditors and by the exercise of judicial discretion in appropriate cases.

REMARKETING

Merrill Lynch, Pierce, Fenner & Smith Incorporated currently serves as the Remarketing Agent for the Bonds pursuant to a Remarketing Agreement, dated as of May 1, 2008 (the “**Remarketing Agreement**”), by and between the City and the Remarketing Agent. Pursuant to the Remarketing Agreement, the Remarketing Agent has agreed to perform the duties of Remarketing Agent set forth in the Resolution, including using its best efforts to remarket Bonds to be purchased as described in the Resolution. The Remarketing Agent will receive a fee for its services as Remarketing Agent as set forth in the Remarketing Agreement. The City has agreed to indemnify the Remarketing Agent against certain liabilities, including certain liabilities under federal securities laws. In the ordinary course of their respective businesses, the Remarketing Agent and certain of its affiliates may have engaged, and may in the future engage, in investment banking or commercial banking transactions with the City and related entities.

PRACTICES AND PROCEDURES OF THE REMARKETING AGENT

The Remarketing Agent is Paid by the City

The Remarketing Agent’s responsibilities include determining the interest rates borne by the Bonds from time to time and remarketing the Bonds that are optionally or mandatorily tendered by the Bondholders or Beneficial Owners thereof (subject, in each case, to the terms of the Resolution and the Remarketing Agreement), all as further described in this Limited Reoffering Supplement, read together with the Official Statement. The Remarketing Agent is appointed and paid by the City for its services. As a result, the interests of the Remarketing Agent may differ from those of existing Bondholders or Beneficial Owners and potential purchasers of the Bonds.

The Remarketing Agent Routinely Purchases Bonds for its Own Account

The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account in order to achieve a successful remarketing of such obligations (i.e., because there otherwise are not enough buyers to purchase such obligations) or for other reasons. The Remarketing Agent is permitted, but not obligated, in its sole discretion, to purchase tendered the Bonds for its own account. However, the Remarketing Agent is not obligated to purchase the Bonds, and may cease doing so at any time without notice. The Remarketing Agent also may make a market in the Bonds by routinely purchasing and selling the Bonds other than in connection with an optional or mandatory tender and remarketing. Such other purchases and sales may be at prices above, at or below par. However, the Remarketing Agent is not required to make a market in the Bonds. The Remarketing Agent may also sell any Bonds that it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Bonds. The purchase of the Bonds by the Remarketing Agent may create the appearance that there is greater third-party demand for the Bonds in the market than actually is the case.

The Bonds May be Offered at Different Prices on any Date

Pursuant to the Resolution and the Remarketing Agreement, on each interest rate determination date during the Weekly Mode, the Remarketing Agent is required to determine the applicable interest rate, which will be the interest rate per annum which, in the professional judgment of the Remarketing Agent having due regard for prevailing market conditions, would be the minimum interest rate necessary to cause a sale of the Bonds on the first day of the relevant rate period at a price equal to 100% of the principal amount thereof plus accrued interest, but in no event to exceed the Maximum Bond Interest Rate. The interest rate will reflect, among other factors, the level of market demand for the Bonds (including whether the Remarketing Agent is willing to purchase such the Bonds for its own account). There may or may not be Bonds tendered and remarketed on the applicable interest rate determination date, and the Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on such date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third-party buyers for all of the Bonds at the remarketing price. In the event that the Remarketing Agent owns any of the Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside of the tender process offer such the Bonds on any date at a discount or at a premium to the purchase price to some or all investors.

The Ability to Sell the Bonds Other Than Through the Tender Process May be Limited

The Remarketing Agent may buy and sell the Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Bondholders or Beneficial Owners that wish to tender their the Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell such the Bonds other than by tendering such the Bonds in accordance with the tender process.

TAX MATTERS

Norton Rose Fulbright US LLP, formerly known as Fulbright & Jaworski L.L.P., Los Angeles, California (“**Prior Bond Counsel**”), previously opined in an opinion dated May 1, 2008 (the “**Original Bond Counsel Opinion**”) that the Internal Revenue Code of 1986 (the “**Code**”) imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Prior Bond Counsel further opined that, under applicable Treasury Regulations, for purposes of evaluation of the excludability of interest on the Bonds, the Bonds, the 2008A Bonds and the 2008B Bonds would be treated as a single issue; noncompliance with any of the foregoing requirements in respect of any of the 2008 Bonds could cause the interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes retroactive to the date of issuance of the Bonds. The City undertook certain covenants in the 2008 Resolutions necessary to maintain the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes.

Prior Bond Counsel also opined in the Original Bond Counsel Opinion that, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California and, assuming compliance with the aforementioned covenants, interest on the Bonds is excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Prior Bond Counsel was also of the opinion that, assuming compliance with the aforementioned covenants, the 2008 Bonds were not “specified private activity bonds” within the meaning of section 57(a)(5) of the Code and, therefore, the interest on the Bonds will not be treated as an item of tax preference for purposes of computing the alternative minimum tax imposed by section 55 of the Code. Prior Bond Counsel also opined in the Original Bond Counsel Opinion that the receipt or accrual of interest on the Bonds owned by a corporation may affect the computation of its alternative minimum taxable income, upon which the alternative minimum tax is imposed, to the extent that such interest is taken into account in determining the adjusted current earnings of that corporation (75 percent of the excess, if any, of such adjusted current earnings over the alternative minimum

taxable income being an adjustment to alternative minimum taxable income (determined without regard to such adjustment or to the alternative tax net operating loss deduction)).

Prior Bond Counsel did not undertake to advise in the future whether any events after the date of issuance of the Bonds may affect the tax status of interest on the Bonds or the tax consequences of the ownership of the Bonds. No assurance was given in the Original Bond Counsel Opinion that pending or future legislation, or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code will not contain provisions that could directly or indirectly reduce the benefit of the exemption of interest on the Bonds from personal income taxation by the State of California or of the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. Furthermore, Bond Counsel expressed no opinion in the Original Bond Counsel Opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the 2008 Bonds or the proceeds thereof predicated or permitted upon the advice or approval of bond counsel if such advice or approval is given by counsel other than Prior Bond Counsel.

The Original Bond Counsel Opinion noted that it was not a guarantee of a result, but represented Prior Bond Counsel's legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling had been sought from the Internal Revenue Service (the "Service") with respect to the matters addressed in the Original Bond Counsel Opinion, and the Original Bond Counsel Opinion noted that it was not binding on the Service. Prior Bond Counsel noted that the Service has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations and that, if an audit of the 2008 Bonds is commenced, under current procedures the Service is likely to treat the City as the "taxpayer," and the owners would have no right to participate in the audit process. Prior Bond Counsel also noted that in responding to or defending an audit of the tax-exempt status of the interest on the 2008 Bonds, the City may have different or conflicting interests from the owners and that the disclosure of the initiation of an audit of the 2008 Bonds may adversely affect the market price and liquidity of the Bonds, regardless of the final disposition of the audit.

Although Prior Bond Counsel opined in the Prior Bond Counsel Opinion that interest on the Bonds is exempt from state personal income tax and excluded from the gross income of the owners thereof for federal income tax purposes, it noted that an owner's federal, state or local tax liability may be otherwise affected by the ownership or disposition of the Bonds and that the nature and extent of these other tax consequences will depend upon the owner's other items of income or deduction. Prior Bond Counsel noted that, without limiting the generality of the foregoing, prospective purchasers of the Bonds should be aware that (i) section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of an owner's interest expense allocated to interest on the Bonds, (ii) with respect to insurance companies subject to the tax imposed by section 831 of the Code, section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds, (iii) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by section 884 of the Code, (iv) passive investment income, including interest on the Bonds, may be subject to federal income taxation under section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income, (v) section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds and (vi) under section 32(i) of the Code, receipt of investment income, including interest on the Bonds, may disqualify the recipient thereof from obtaining the earned income credit. Prior Bond Counsel expressed no opinion regarding any such other tax consequences.

The form of the Original Bond Counsel Opinion is attached as Appendix E to the Official Statement that is set forth in Appendix B.

NOTICE TO INVESTORS

Because of certain suitability requirements and the following investor representations, purchasers of the Bonds are advised to consult legal counsel prior to making any purchase of the Bonds.

The Bonds are to be remarketed and sold to no more than thirty-five persons who are “Qualified Institutional Buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. The Remarketing Agent expects to remarket the Bonds such that:

(i) Each purchaser from the Remarketing Agent, based upon the knowledge of the Remarketing Agent after verbal inquiry (but otherwise without independent investigation), is an institutional purchaser that is a Qualified Institutional Buyer or, if such purchaser is buying for an account for which such purchaser is acting as fiduciary or agent, such account is a Qualified Institutional Buyer;

(ii) Each purchaser from the Remarketing Agent, to the best knowledge of the Remarketing Agent but without independent investigation, is acquiring such Bonds for its own account or for not more than one account for which it is acting as fiduciary or agent in a minimum amount of not less than \$500,000, in either case not with a view to any sale or distribution thereof, and has acknowledged on its own behalf or on behalf of any such account for which it is purchasing the Bonds that the authorized denomination will be \$500,000 or any integral multiple of \$5,000 in excess thereof; and

(iii) Each purchaser from the Remarketing Agent has been provided with access to such financial and other information as it has requested in connection with its decision to purchase any Bonds.

LEGAL MATTERS

The Original Bond Counsel Opinion with respect to certain matters such as the authorization and validity of the Bonds was delivered by Norton Rose Fulbright US LLP, formerly known as Fulbright & Jaworski L.L.P., Los Angeles, California, as Prior Bond Counsel, on the date of issuance of the Bonds.

On the Substitution Date, Stradling Yocca Carlson & Rauth, as Bond Counsel, is expected to deliver an opinion in connection with certain legal matters related to this Limited Reoffering Supplement. Certain legal matters will be passed upon for the City by the City Attorney and for the Credit Provider by McDermott Will & Emery LLP, New York, New York.

RATINGS

S&P Global Ratings, a Standard & Poor’s Financial Services LLC business (“S&P”) is expected to assign the short-term rating of “___” to the Bonds based on the delivery of the Letter of Credit by the Credit Provider on the Substitution Date. In addition, S&P is expected to [affirm the underlying long-term rating of “AA-”] on the Bonds.

Fitch Ratings, Inc. (“Fitch”) is expected to assign the short-term rating of “___” to the Bonds based on the delivery of the Letter of Credit by the Credit Provider on the Substitution Date. In addition, Fitch is expected to [affirm the underlying long-term rating of “AA-”] on the Bonds.

For further information with respect to the Letter of Credit and the Credit Provider, see the caption “THE CREDIT FACILITY” and Appendix A.

No application has been made to any other rating agency for the purpose of obtaining any additional ratings on the Bonds. The above-described credit ratings given to the Bonds reflect only the views of the respective rating agencies, and an explanation of the significance of such ratings may be obtained from the applicable rating agency. Generally, rating agencies base their ratings on information and materials furnished

to them (which may include information and material from the City that is not included in this Limited Reoffering Supplement or the Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance that any credit rating given to the Bonds will continue for any period of time or that a credit rating given to the Bonds will not be lowered or withdrawn entirely by a rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such change in or withdrawal of a credit rating given to the Bonds may have an adverse effect on the market price of the Bonds.

The City has covenanted in the Continuing Disclosure Certificate to file notices of any rating changes on the Bonds with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/> ("**EMMA**"). See the Official Statement under the caption "VOLUNTARY CONTINUING DISCLOSURE" and Appendix D thereto. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the City and prior to the date by which the City is obligated to file a notice of rating change. Purchasers of the Bonds are directed to the rating agencies and their respective websites and official media outlets for the most current ratings with respect to the Bonds after the initial issuance of the Bonds.

In providing a rating on the Bonds, certain rating agencies may have performed independent calculations of coverage ratios using their own internal formulas and methodology which may not reflect the provisions of the Resolution. The City makes no representations as to any such calculations, and such calculations should not be construed as a representation by the City as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose

LITIGATION

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the best knowledge of the City, threatened against the City affecting the existence of the City or the titles of its directors or officers to their offices or seeking to restrain or to enjoin the original issuance or remarketing of the Bonds, the application of the proceeds thereof in accordance with the Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or any action of the City that is contemplated by any of said documents.

The City is engaged in routine litigation incidental to the conduct of its business. However, the City believes that such litigation, if determined adversely to the City, would not materially adversely affect the ability of the City to pay the principal, redemption price and purchase price of and interest on the Bonds when due.

VOLUNTARY CONTINUING DISCLOSURE

Although the City is not required under Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934 (the "**Rule**") to provide continuing disclosure with respect to the Bonds, the City has elected to do so. The City has covenanted in a Continuing Disclosure Certificate for the benefit of the Owners of the Bonds to provide certain financial information and operating data relating to the City and the Electric System with EMMA on an annual basis (each, an "**Annual Report**") and to provide notices (each, an "**Event Notice**") of the occurrence of certain enumerated events. The specific nature of the information to be contained in the Annual Report and any Event Notice is set forth in Appendix D to the Official Statement.

[DISCLOSURE RE PAST COMPLIANCE]

MISCELLANEOUS

This Limited Reoffering Supplement should be read together with the Official Statement (a copy of which Official Statement is attached hereto as Appendix B and incorporated herein by reference). All references to the documents and other materials are qualified in their entirety by reference to the complete provisions of the documents and other material referenced. To the extent that the information in this Limited Reoffering Supplement conflicts with the information in the Official Statement, this Limited Reoffering Supplement will govern. No attempt has been made to update the Official Statement except as specifically set forth in this Limited Reoffering Supplement.

AUTHORIZATION AND APPROVAL

The delivery of this Limited Reoffering Supplement has been duly authorized and approved by the City. This Limited Reoffering Supplement is not to be considered a contract or agreement between the City and the purchasers or owners of any of the Bonds.

CITY OF RIVERSIDE

By: _____
Chief Financial Officer

By: _____
Utilities General Manager

APPROVED AS TO FORM:

BY: 
ASSISTANT CITY ATTORNEY

APPENDIX A

BARCLAYS BANK PLC

The following information has been provided by the Credit Provider for use in this Limited Reoffering Supplement. Neither the City nor the Remarketing Agent has undertaken any independent investigation of the operations of the Credit Provider and no representation is made herein as to the accuracy or adequacy of such information.

Barclays Bank PLC (Bank) is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC.'

Barclays Bank PLC (together with its subsidiary undertakings (Bank Group)) is a transatlantic consumer, corporate and investment bank offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in the Group's two home markets of the UK and the US. The Bank Group is focused on two core divisions – Barclays UK and Barclays International. Barclays UK comprises the UK retail banking operations, UK consumer credit card business, UK wealth management business and corporate banking for smaller businesses. Barclays International comprises the corporate banking franchise, the Investment Bank, the US and international cards business and international wealth management. Assets which do not fit the Bank Group's strategic objectives will continue to be managed in Barclays Non-Core and designated for exit or run-down over time. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC. Barclays PLC is the ultimate holding company of the Group.

The short term unsecured obligations of Barclays Bank PLC are rated A-2 by Standard & Poor's Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited, and the long-term unsecured unsubordinated obligations of Barclays Bank PLC are rated A- by Standard & Poor's Credit Market Services Europe Limited, A1 by Moody's Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Bank Group's audited financial information for the year ended 31 December 2016, the Bank Group had total assets of £1,213,955m (2015: £1,120,727m), total net loans and advances¹ of £436,417m (2015: £441,046m), total deposits² of £472,917m (2015: £465,387m), and total shareholders' equity of £70,955m (2015: £66,019m) (including non-controlling interests of £3,522m (2015: £1,914m)). The profit before tax from continuing operations of the Bank Group for the year ended 31 December 2016 was £4,383m (2015: £1,914m) after credit impairment charges and other provisions of £2,373m (2015: £1,762m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Issuer for the year ended 31 December 2016.

The delivery of the information concerning the Bank and the Bank Group contained in this Limited Reoffering Supplement shall not create any implication that there has been no change in the affairs of the Bank and the Bank Group since the date hereof, or that the information contained or referred to in this Limited Reoffering Supplement is correct as of any time subsequent to its date.

¹ Total net loans and advances include balances relating to both bank and customer accounts.

² Total deposits include deposits from bank and customer accounts.

Barclays Bank PLC is responsible only for the information contained in this Appendix and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Limited Reoffering Supplement. Accordingly, Barclays Bank PLC assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Limited Reoffering Supplement.

APPENDIX B

OFFICIAL STATEMENT DATED MAY 1, 2008