Material Event Disclosure – January 10, 2012

Riverside Public Financing Authority
2001 Revenue Bonds, Series A/B
CFD 86-1 (Orangecrest & Mission Grove)

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 additional material events have occurred since the last material event disclosure provided by the City:

- **Actions taken relative to Ambac Assurance Corporation’s (Ambac) rating:**
  
  (1) – On April 07, 2011, Moody’s withdrew its rating of Ambac

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

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THE BELOW DISCLOSURE INFORMATION HAS PREVIOUSLY BEEN PROVIDED

- **Actions taken relative to Ambac Assurance Corporation’s (Ambac) rating:**
  
  (1) – On January 18, 2008, Fitch decreased its rating from “AAA” to “AA”
  (2) – On June 5, 2008, Standard and Poor’s decreased its rating from “AAA” to “AA”
  (3) – On June 19, 2008, Moody’s decreased its rating from “Aaa” to “Aa3”
  (5) – On November 5, 2008, Moody’s decreased its rating from “Aa3” to “Baa1”
  (6) – On November 19, 2008, Standard & Poor’s decreased its rating from “AA” to “A”
  (7) – On April 21, 2009, Moody’s decreased its rating from “Baa1” to “Ba3”
  (8) – On June 24, 2009, Standard & Poor’s decreased its rating from “A” to “BBB”
  (9) – On July 28, 2009, Standard and Poor’s decreased its rating from “BBB” to “CC”
  (10) – On July 29, 2009, Moody’s decreased its rating from “Ba3” to “Caa2”
  (11) – On March 25, 2010, Standard and Poor’s decreased its rating from “CC” to “R”
  (12) – On November 30, 2010, Standard and Poor’s withdrew its rating of Ambac