

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS:
See "CONCLUDING INFORMATION - Ratings" herein

In the opinion of Fulbright & Jaworski L.L.P., Los Angeles, California, Bond Counsel, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California. Assuming compliance with the tax covenants described herein, interest on the Bonds is also excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 (the "Code") from the gross income of the owners thereof for federal income tax purposes and is not an item of preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein.

\$42,185,000

**Redevelopment Agency of the City of Rialto
Tax Allocation Bonds
(Merged Project Area)
2008 Series A (Tax-Exempt)**

Dated: Date of Delivery

Due: September 1, as set forth on the inside front cover

The Redevelopment Agency of the City of Rialto (the "Agency") is issuing its Tax Allocation Bonds (Merged Project Area) 2008 Series A (Tax-Exempt) (the "Bonds"). The Bonds will be issued pursuant to an Indenture of Trust, dated as of March 1, 2008 (the "Indenture"), by and between the Agency and Union Bank of California, N.A. (the "Trustee").

The Bonds will be issued as fully-registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. Interest on the Bonds will be payable on March 1 and September 1 of each year, commencing September 1, 2008 (each an "Interest Payment Dates"). The Bonds will be issued in book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interest in the Bonds. For so long as the Bonds are registered in the name of Cede & Co., the Trustee will make all payments of principal and interest on the Bonds to DTC, which, in turn, is obligated to remit such principal and interest to DTC Participants (defined herein) for subsequent disbursement to the Beneficial Owners (defined herein) of the Bonds. See "THE BONDS" herein.

The Bonds are payable from and secured by Tax Revenues (as defined herein) and certain funds and accounts held under the Indenture, and are being issued on a parity basis with certain outstanding obligations of the Agency as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Bonds are subject to optional and mandatory redemption as described herein.

The Agency will use a portion of the proceeds of the Bonds to finance a portion of the cost of certain capital facilities of the Rialto Unified School District and certain non-housing related redevelopment activities of the Agency, to fund a reserve for the Bonds, and to pay costs of issuing the Bonds. See "PLAN OF FINANCING" and "SOURCES AND USES OF FUNDS" herein.

The Bonds are special obligations of the Agency and as such are not a debt of the City of Rialto (the "City") nor the State of California (the "State") or any of its political subdivisions (other than the Agency), and neither the City, the State, nor any of its political subdivisions (other than the Agency) is liable for the payment thereof. The Bonds are special obligations of the Agency payable exclusively from the Tax Revenues and amounts held in certain funds and accounts created pursuant to the Indenture. The Agency is not obligated to pay the principal of and interest on the Bonds except from Tax Revenues and the amounts held in certain funds and accounts held under the Indenture. In no event will the Bonds be payable out of any funds or properties other than those of the Agency pledged therefor. Neither the members of the Agency nor any persons executing the Bonds are liable personally on the Bonds.

This cover page of the Official Statement contains information for quick reference only. It is not a complete summary of the Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Attention is hereby directed to certain risk factors more fully described herein. See "RISK FACTORS" herein.

The Bonds were sold by competitive sale on February 28, 2008. The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Fulbright & Jaworski L.L.P., Los Angeles, California, Bond Counsel to the Agency. Certain legal matters will be passed on for the Agency by Best Best & Krieger LLP, California, acting as counsel to the Agency, and for the Agency by Fulbright & Jaworski L.L.P., Los Angeles, California, Disclosure Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about March 13, 2008.

Dated: February 28, 2008

Agreement" and, together with the 2008 School District Cooperative Agreement, the "School District Cooperative Agreement"), pursuant to which the Agency made a portion of the proceeds of the Tax Allocation Bonds (Merged Project Area) 2005 Series A (Tax-Exempt) available to assist the School District in financing a portion of the cost of the School District Facilities.

Under the 2008 School District Cooperative Agreement the School District will forego tax increment revenues that otherwise would have been transferred to it by the Agency pursuant to two Pass-Through Agreements by and between the School District and the Agency, and pursuant to the statutory requirements for payments to affected taxing agencies (collectively, the "Pass-Through Payments"). The amount of Pass-Through Payments that will be retained by the Agency are calculated to be sufficient to cover the portion of debt service on the Bonds allocable to the portion of the proceeds thereof transferred to the School District, plus a coverage factor. See "TAX ALLOCATION FINANCING – Allocation of Taxes – Pass-Through Agreements" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Pass-Through Agreements" herein.

Redevelopment Projects

The Agency intends to use a portion of the proceeds of the Bonds to finance some or all of the following projects: reconstruction of the Riverside Avenue/I-10 interchange; extension of Pepper Avenue from its current terminus to the 210 Freeway, and construction of various civic improvements, including parks, fire stations and transportation improvements, and land acquisition. The Agency is not obligated to finance these projects with proceeds of the Bonds, and may at its discretion finance these projects from other sources, or elect to use the proceeds of the Bonds for other projects, as permitted by applicable law.

Sources and Uses of Funds

The estimated sources and uses of funds for the Bonds are summarized as follows:

SOURCES AND USES OF FUNDS

Sources:

Principal Amount of the Bonds	\$42,185,000.00
Plus: Original Issue Premium	<u>355,326.00</u>
Total Sources	\$42,540,326.00

Uses:

Redevelopment Fund	\$34,450,663.24
School District Facilities Subaccount	3,000,000.00
Reserve Account	4,119,982.40
Costs of Issuance Account ⁽¹⁾	305,000.00
Underwriter's Discount	<u>664,680.36</u>
Total Uses	\$42,540,326.00

⁽¹⁾ Costs of Issuance include fees and expenses of the Fiscal Consultant, Financial Advisor, Bond and Disclosure Counsel, Trustee, and Rating Agencies, printing expenses and other costs related to the issuance of the Bonds.

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RATINGS:

S&P: "AAA" (Insured) "A-" (Underlying)
Fitch: "AA" (Insured) "BBB+" (Underlying)
See "CONCLUDING INFORMATION - Ratings" herein

In the opinion of Fulbright & Jaworski L.L.P., Los Angeles, California, Bond Counsel, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California. The Agency has taken no action to cause, and does not intend, interest on the Bonds to be 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. See "TAX MATTERS" herein.

\$29,600,000	\$21,965,000
Redevelopment Agency of the City of Rialto	Redevelopment Agency of the City of Rialto
Tax Allocation Housing Set-Aside Bonds	Tax Allocation Bonds
(Merged Project Area)	(Merged Project Area)
2008 Series B (Taxable)	2008 Series C (Taxable)

Dated: Date of Delivery

Due: September 1, as set forth on the inside front cover

The Redevelopment Agency of the City of Rialto (the "Agency") is issuing its Tax Allocation Housing Set-Aside Bonds (Merged Project Area) 2008 Series B (Taxable) (the "Series B Bonds"), and its Tax Allocation Bonds (Merged Project Area) 2008 Series C (Taxable) (the "Series C Bonds" and, together with the Series B Bonds, the "Bonds"). Each series of Bonds will be issued pursuant to two separate Indentures of Trust, each dated as of April 1, 2008, each by and between the Agency and Union Bank of California, N.A., as trustee (the "Trustee").

The Bonds will be issued as fully-registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. Interest on the Bonds will be payable on March 1 and September 1 of each year, commencing September 1, 2008 (each an "Interest Payment Dates"). The Bonds will be issued in book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interest in the Bonds. For so long as the Bonds are registered in the name of Cede & Co., the Trustee will make all payments of principal and interest on the Bonds to DTC, which, in turn, is obligated to remit such principal and interest to DTC Participants (defined herein) for subsequent disbursement to the Beneficial Owners (defined herein) of the Bonds. See "THE BONDS" herein.

The Series B Bonds are payable from and secured by the Housing Set-Aside Revenues (as defined herein) and certain funds and accounts held under the Indenture for the Series B Bonds, and are being issued on a parity basis with certain outstanding obligations of the Agency as described herein. The Series C Bonds are payable from and secured by Tax Revenues (as defined herein) and certain funds and accounts held under the Indenture for the Series C Bonds, and are being issued on a parity basis with certain outstanding obligations of the Agency as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES B BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES C BONDS" herein.

The Bonds are subject to optional and mandatory redemption as described herein.

The Agency will use a portion of the proceeds of the Series B Bonds to finance certain housing related redevelopment activities of the Agency, to fund a reserve for the Series B Bonds, and to pay costs of issuance for the Series B Bonds. The Agency will use a portion of the proceeds of the Series C Bonds to finance certain redevelopment activities of the Agency, to fund a reserve for the Series C Bonds, and to pay costs of issuance for the Series C Bonds. See "PLAN OF FINANCING" and "SOURCES AND USES OF FUNDS" herein.

The Bonds are special obligations of the Agency and as such are not a debt of the City of Rialto (the "City") nor the State of California (the "State") or any of its political subdivisions (other than the Agency), and neither the City, the State, nor any of its political subdivisions (other than the Agency) is liable for the payment thereof. The Series B Bonds are special obligations of the Agency payable exclusively from Housing Set-Aside Revenues and amounts held in certain funds and accounts created pursuant to the Series B Indenture. The Series C Bonds are special obligations of the Agency payable exclusively from Tax Revenues and amounts held in certain funds and accounts created pursuant to the Series C Indenture. In no event will the Bonds be payable out of any funds or properties other than those of the Agency pledged therefor. Neither the members of the Agency nor any persons executing the Bonds are liable personally on the Bonds.

Payment of principal of and interest on the Series B Bonds and the Series C Bonds when due will be insured by separate financial guaranty insurance policies to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Bonds. See "BOND INSURANCE" herein.

Ambac

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The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Fulbright & Jaworski L.L.P., Los Angeles, California, Bond Counsel to the Agency. Certain legal matters will be passed on for the Agency by Best Best & Krieger LLP, California, acting as counsel to the Agency, and for the Agency by Fulbright & Jaworski L.L.P., Los Angeles, California, Disclosure Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about April 29, 2008.

Dated: April 17, 2008.

Series B Bonds Sources and Uses of Funds

The estimated sources and uses of funds for the Series B Bonds are summarized as follows:

Sources:

Principal Amount of the Series B Bonds.....	\$29,600,000.00
Premium	563,531.20
Total Sources.....	<u>\$30,163,531.20</u>

Uses:

Low and Moderate Income Housing Fund.....	\$25,891,388.37
Reserve Account.....	2,960,000.00
Costs of Issuance Account ⁽¹⁾	143,508.19
Underwriter's Discount	1,168,634.64
Total Uses.....	<u>\$30,163,531.20</u>

⁽¹⁾ Costs of Issuance include fees and expenses of the Fiscal Consultant, Financial Advisor, Bond and Disclosure Counsel, Trustee, and Rating Agencies, printing expenses and other costs related to the issuance of the Series B Bonds.

SERIES C BONDS PLAN OF FINANCING

The proceeds of the Series C Bonds will be applied to (i) finance certain redevelopment activities of the Agency, (ii) fund a reserve for the Series C Bonds, and (iii) pay costs of issuance for the Series C Bonds.

Redevelopment Projects

The Agency intends to use a portion of the proceeds of the Series C Bonds to finance the acquisition of land for assembly into larger development parcels around the City's Municipal Airport and the 210 Freeway to promote commercial and industrial development.

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