

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



157

FROM: Executive Office

SUBMITTAL DATE:
September 2, 2010

SUBJECT: FY 2010-11 Teeter Notes

RECOMMENDED MOTION: That the Board approve Resolution 2010-281 supplementing its Master Teeter Resolution, and providing for the terms and conditions of additional series B Teeter Plan obligations and Series C Teeter Plan obligations.

BACKGROUND: Riverside County adopted the Teeter Plan in 1993. The Teeter Program provides participating agencies advance funding for uncollected property taxes. This occurs after the close of the fiscal year in exchange for assuming ultimate collection risk of the delinquent taxes along with any penalties and interest.

Participation in the Teeter Program is voluntary; in addition to the county general fund, approximately 350 cities, County Service Areas, and water, lighting, redevelopment, community service, cemetery and flood control zones or districts within Riverside County are members. Participating entities benefit by receiving cash for delinquent taxes. The county is responsible for issuing debt, collecting back taxes, and covering program expenses. Penalties and interest go to the county – these exceed expenses by \$20-50 million per year. The excess revenue is moved to the general fund.

Christopher Hans

Continued on page 2

Christopher Hans
Deputy County Executive Officer

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 2,000,000	In Current Year Budget:	Yes
Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	No
Annual Net County Cost:	\$ N/A	For Fiscal Year:	10-11

SOURCE OF FUNDS: Teeter Tax Loss Reserve Fund

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY:

Christopher Hans

FORM APPROVED COUNTY COUNSEL
BY: *DALE A. GARDNER* 9/17/10
DATE: 9/17/10
Departmental Concurrence

- Policy
- Policy
- Consent
- Consent

Dept's Recomm.:
Per Exec. Ofc.:

3.5

Approval of Resolution No. 2010-281 provides for the financing of the FY 2010-11 Teeter Obligations, estimated at approximately \$207 million, utilizing the existing Commercial Paper (CP) Offering Program (Series B) and the supplemental fixed rate notes (Series C). This amount includes \$102 million in FY 2009-10 delinquencies and the refunding of approximately \$105 million of prior years' property taxes that remain delinquent.

The Teeter CP Offering Program (Series B) is enhanced by a letter of credit (LOC) provided by the Bank of Nova Scotia. This LOC has a total capacity to fund approximately \$186 million of delinquencies. The FY 2010-11 Teeter Plan exceeds the LOC amount by approximately \$21 million. It is recommended that \$21 million be sold as Series C Notes on the open market with no enhancements. This assumes the notes will receive favorable ratings, otherwise it is anticipated that the Treasurer's Pooled Investment Fund would purchase the notes.

RESOLUTION NO. 2010-281
OF
THE COUNTY OF RIVERSIDE

SUPPLEMENTING ITS
MASTER TEETER RESOLUTION, AND
PROVIDING FOR THE TERMS AND CONDITIONS OF
ADDITIONAL SERIES B TEETER PLAN OBLIGATIONS
AND SERIES C TEETER PLAN OBLIGATIONS

ADOPTED ON SEPTEMBER 14, 2010

RESOLUTION NO. 2010-281

**RESOLUTION OF THE COUNTY OF RIVERSIDE
SUPPLEMENTING ITS MASTER TEETER RESOLUTION,
AND PROVIDING FOR THE TERMS AND CONDITIONS OF
ADDITIONAL SERIES B TEETER PLAN OBLIGATIONS
AND SERIES C TEETER PLAN OBLIGATIONS**

WHEREAS, the Board of Supervisors (the "Board") of the County of Riverside (the "County") has adopted a resolution pursuant to Section 4702 of the California Revenue and Taxation Code, and has thereby elected to follow the procedure for distributing Property Tax levies set forth in Chapter 3 of Part 8 of Division 1 of the California Revenue and Taxation Code, consisting of Sections 4701 through 4717 (the "Law"); and

WHEREAS, the Board elected, pursuant to Section 4702.5 of the Law, to include certain assessments in the procedures authorized under the Law; and

WHEREAS, pursuant to Section 4705 of the Law, for each year in which allocations of taxes and assessments are to be made in accordance with the Law, the amount of taxes and assessments for each fund for which the tax levy has been included is to be apportioned to the credit of each such fund, and the Board shall provide moneys in the County Treasury which shall be available to be drawn on to the extent of the amount of uncollected taxes and assessments credited to each such fund for which a tax levy or an assessment has been included; and

WHEREAS, on July 29, 1997, pursuant to Resolution No. 97-203, as ratified, confirmed and modified by Resolution No. 97-298 adopted on November 4, 1997 (together, the "Master Teeter Resolution") the Board authorized an issuance of Series A Obligations and Series B Obligations in the form of Series A Notes and Series B Notes, respectively; and

WHEREAS, the Master Teeter Resolution contemplated that Series A Obligations and Series B Obligations could be increased to include an amount sufficient to refund any Demand Obligation relating to any fiscal year ending after June 30, 1997, as specified in a Supplemental Resolution; and

WHEREAS, pursuant to Resolution No. 98-283, adopted on August 18, 1998, the Board authorized Series A Obligations and Series B Obligations to refund a Demand Obligation relating to the fiscal year ended June 30, 1998; and

WHEREAS, pursuant to Resolution No. 99-385, adopted on September 7, 1999, the Board authorized Series A Obligations and Series B Obligations to refund a Demand Obligation relating to the fiscal year ended June 30, 1999; and

WHEREAS, pursuant to Resolution No. 2000-277, adopted September 26, 2000, the Board authorized Series B Obligations to refund a Demand Obligation relating to the fiscal year ended June 30, 2000; and

FORM APPROVED, COUNTY COUNSEL
BY: DALE A. GARDNER 9/17/11 DATE

WHEREAS, pursuant to Resolution No. 2001-290, adopted September 11, 2001, the Board authorized Series B Obligations to refund a Demand Obligation relating to the fiscal year ended June 30, 2001; and

WHEREAS, pursuant to Resolution No. 2002-363, adopted October 8, 2002, the Board authorized Series B Obligations to refund a Demand Obligation relating to the fiscal year ended June 30, 2002; and

WHEREAS, pursuant to Resolution No. 2003-495, adopted October 21, 2003, the Board authorized Series B Obligations to refund a Demand Obligation relating to the fiscal year ended June 30, 2003; and

WHEREAS, pursuant to Resolution No. 2004-496, adopted October 26, 2004, the Board authorized Series B Obligations to refund a Demand Obligation relating to the fiscal year ended June 30, 2004; and

WHEREAS, pursuant to Resolution No. 2005-493, adopted November 29, 2005, the Board authorized Series B Obligations to refund a Demand Obligation relating to the fiscal year ending June 30, 2005 and to refund Outstanding Series B Notes; and

WHEREAS, pursuant to Resolution No. 2006-405 adopted October 17, 2006, the Board authorized Series B Obligations to refund a Demand Obligation relating to the fiscal year ending June 30, 2006 and to refund Outstanding Series B Notes; and

WHEREAS, pursuant to Resolution No. 2007-479, adopted October 30, 2007, the Board authorized Series B Obligations to refund a Demand Obligation relating to the fiscal year ending June 30, 2007 and to refund Outstanding Series B Notes; and

WHEREAS, pursuant to Resolution No. 2008-486, adopted November 18, 2008, the Board authorized Series B Obligations and Series C Obligations to refund a Demand Obligation relating to the fiscal year ending June 30, 2008 and to refund Outstanding Series B Notes; and

WHEREAS, pursuant to Resolution No. 2009-310, adopted November 24, 2009, the Board authorized Series B Obligations and Series C Obligations to refund a Demand Obligation relating to the fiscal year ending June 30, 2009 and to refund Outstanding Series B Notes and Series C Notes; and

WHEREAS, the County wishes to include within the definition of Series B Taxes all uncollected property taxes and assessments attributable to the fiscal year ending June 30, 2010; and

WHEREAS, the County wishes to issue a Demand Obligation relating to delinquencies in property taxes and assessments attributable to the fiscal year ending June 30, 2010 and to issue Series B Notes (the "Additional Series B Notes"), the proceeds of which are to be used to refund the Demand Obligation and to refund Outstanding Series B Notes and Series C Notes; and

WHEREAS, the County wishes to confirm that the security interest and pledge granted in favor of Holders of Series B Notes and the Bank pursuant to Section 302 of the Master Teeter Resolution extends to such Series B Taxes and secures the Additional Series B Notes;

WHEREAS, the County wishes to issue additional Series C Notes (the "Series C Notes"), payable solely from the General Fund, the proceeds of which are to be used to refund Outstanding Series C Notes; and

WHEREAS, Citigroup Global Markets Inc. and Barclays Capital Inc. (the "Underwriters") have agreed to submit an offer to purchase the Series C Notes pursuant to the terms and provisions of a purchase contract, which shall be substantially in the form of the contract of purchase presented to this meeting (the "Purchase Contract"); and

WHEREAS, a preliminary official statement (the "Preliminary Official Statement") describing the Series C Notes will be distributed to potential purchasers of the Notes; and

WHEREAS, this Board has been presented with the form of the Purchase Contract, Preliminary Official Statement and Continuing Disclosure Certificate, hereinafter referred to, relating to the Series C Notes, and the Board has examined and desires to approve, authorize and direct the execution of such documents and the issuance of the Series C Notes; and

NOW, THEREFORE, IT IS RESOLVED and ordered by the Board as follows:

ARTICLE I

AUTHORITY FOR SUPPLEMENTAL RESOLUTIONS; DEFINITIONS

1.01 Authority For This Resolution. This resolution supplements and amends the Master Teeter Resolution and is entered into pursuant to Article VII of the Master Teeter Resolution.

1.02 Definitions.

(a) Except as otherwise provided herein all terms defined in the Master Teeter Resolution shall have the same meanings when used in this Supplemental Resolution as are given in Section 101 of the Master Teeter Resolution, except for the following terms which are used in the Master Teeter Resolution, which shall be amended to read as follows:

"Prior Series C Notes" means the notes issued pursuant to Article V of Resolution No. 2009-310, adopted on November 24, 2009.

"Series B Taxes" means (i) the right to collect any uncollected property taxes due to the County and the other Revenue Districts for the fiscal years ended June 30, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010 and such other fiscal years, if any, as may be specified in a Supplemental Resolution, (ii) all amounts received by the County upon the sale of property to recover such property taxes or

assessments, and (iii) all amounts received by the County upon the redemption of properties for sale or previously sold to recover such property taxes or assessments, in each case to which the County is entitled, including as a consequence of electing to being governed by the Law, and in each case following the allocation by the County of the receipts of property taxes and assessments between the Revenue Districts and those public districts within the County which have not agreed that the Law shall apply to them; provided, however, that Series B Taxes shall not include (i) the right to collect delinquencies in property taxes due to an Independent District for all fiscal years prior to the fiscal year in which the respective Independent District agreed (pursuant to Section 4715 of the Law) that the Law shall apply to it, (ii) Default Penalties, (iii) interest or Redemption Penalties, (iv) costs and fees paid pursuant to Section 4102(d) and 4112 of the Taxation Code and (v) installment payments made pursuant to Section 4217 et. seq. of the Taxation Code with respect to properties otherwise subject to Series A/B Taxes. Series B Taxes shall not include Series A Taxes or Other Taxes.

“Series C Notes” means the notes issued pursuant to Article V of this Supplemental Resolution.

ARTICLE II

AUTHORIZATION OF DEMAND OBLIGATION

2.01 Authorization of Demand Obligation. The County shall evidence its obligation to make distributions to Revenue Districts pursuant to the Law in respect of property taxes and assessments attributable to the fiscal year ending June 30, 2010, through the issuance of a Demand Obligation in the principal amount of such distributions. In all respects, the terms and conditions of issuance of such Demand Obligation shall be governed by Article II of the Master Teeter Resolution to the extent the same relates to the Series B Obligations.

ARTICLE III

EXTENSION OF SERIES B TEETER OBLIGATION PLEDGE

3.01 Pledge of Series B Taxes. All Series B Taxes as defined in this Supplemental Resolution shall be governed by the provisions of Section 302 of the Master Teeter Resolution, the security interest and pledge created pursuant to said Section 302 shall hereby extend to Series B Taxes as defined in this Supplemental Resolution, and such security interest and pledge shall hereby extend in favor of Holders of (a) the Demand Obligation referred to in Section 2.01 hereof and issued hereunder, (b) Series B Notes authorized and issued hereunder, and (c) any Credit Provider Obligations relating to Obligations referred to in clauses (a) and (b) above, in all cases on a parity with each other and with the security interest and pledge in favor of Holders of other Series B Obligations. The foregoing pledge shall not apply to the Holders of Series C Notes.

ARTICLE IV

AUTHORIZATION AND ISSUANCE OF ADDITIONAL SERIES B NOTES

4.01 Authorization of Additional Series B Notes. The Board hereby determines that the County shall issue, as Series B Obligations, Additional Series B Notes, provided that the aggregate principal amount (as described in Section 203(1)(a) of the Master Teeter Resolution) of Series B Notes to be issued hereunder and outstanding shall not exceed an aggregate principal amount of \$186,000,000, and the proceeds shall be applied to the refunding, in whole or in part, of the Demand Obligation and Outstanding Series B Notes and Prior Series C Notes. The Additional Series B Notes shall be issued in accordance with, and subject to the conditions and limitations for Additional Series B Notes set forth in, the Master Teeter Resolution. The Additional Series B Notes shall be Tax-Exempt Notes, and any additional terms and provisions of the Series B Notes shall be set forth in a written certificate of the Treasurer or County Executive Officer.

4.02 Dealers. The Treasurer and the County Executive Officer and their designees are, and each of them acting alone is, authorized to negotiate with Citigroup Global Markets Inc. and Barclays Capital Inc. (the "Dealers") with respect to the Additional Series B Notes and to amend the existing Dealer Agreement with each Dealer to cover the Additional Series B Notes.

ARTICLE V

AUTHORIZATION AND ISSUANCE OF ADDITIONAL SERIES C NOTES

5.01 Authorization and Issuance of Series C Teeter Plan Obligation Notes; Application of Proceeds. (a) The Board of Supervisors hereby determines that the County shall issue additional Series C Notes in an aggregate principal amount of not to exceed \$22,000,000.

(b) Pursuant to the Master Teeter Resolution, the proceeds of the sale of the Series C Notes shall be applied to pay Initial Costs of Issuance of the Series C Notes and to refund Outstanding Prior Series C Notes.

5.02 Denominations, Medium, Method and Place of Payment and Dating of Series C Notes. (a) The Series C Notes shall be initially issued and registered as provided in Section 5.08 of this Supplemental Resolution and otherwise shall be in the denominations of \$5,000 or any integral multiple thereof, and shall be dated the date of issuance thereof, shall mature no later than October 14, 2011, and shall bear interest, payable at maturity and computed on the basis of a 360-day year composed of twelve 30-day months, at the rate per annum determined in accordance with this Supplemental Resolution.

(b) Both the principal of the Series C Notes and interest due on the Series C Notes at maturity shall be payable in lawful money of the United States of America, only to the registered owners of the Notes upon surrender thereof at the principal office of the Fiscal Agent upon the maturity thereof. No interest shall be payable on any Series C Note for any period after

maturity during which the registered owner thereof fails to properly present such Series C Note for payment.

5.03 Sale of Notes. The Purchase Contract, in substantially the form presented to this meeting, is hereby approved. The Treasurer and the County Executive Officer and their designees are, and each of them acting alone is, authorized to execute and deliver such Purchase Contract, with such changes, additions, completions and corrections therein as such officers shall require or approve, including specifying the principal amount of the Series C Notes (not to exceed the amount authorized under Section 5.02(a) hereof), the term of the term of the Series C Notes (not to exceed the maturity date set forth in Section 5.02(a) hereof), the interest rate on the Series C Notes and the purchase price of the Series C Notes, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the true interest cost of the Series C Notes shall not exceed 1.5% per annum, and that the underwriters' discount on the Series C Notes shall not exceed 0.35% of the principal amount of the Series C Notes.

5.04 Payment of Principal of and Interest on the Notes from General Fund. The principal of and interest on the Series C Notes shall be payable from amounts in the General Fund. Notwithstanding any other provision of the Master Teeter Resolution (including but not limited to Article XIII thereof) and this Supplemental Resolution, the Series C Notes shall not be payable from, and shall not be secured by, Series B Taxes, the Series B Letter of Credit or Other Taxes, but shall be payable solely from other amounts in the General Fund.

5.05 Form of Note. The Series C Notes and the assignment to appear thereon each shall be in substantially the form set forth in Exhibit A attached hereto and incorporated herein, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

5.06 Execution and Authentication of Notes. The County Executive Officer is hereby authorized to sign the Series C Notes by use of his manual or facsimile signature, and the Clerk of the Board of Supervisors is hereby authorized to countersign the Series C Notes by use of his/her manual signature and to affix the seal of the Board of Supervisors thereto by facsimile impression thereon. Said officers are hereby authorized to cause the blank spaces in the Notes to be filled in as may be appropriate and to deliver the Series C Notes to the Underwriters in accordance with the terms and provisions of the Purchase Contract. In the case of Series C Notes executed by facsimile signature of both the County Executive Officer and the Clerk of the Board of Supervisors, the Series C Notes shall not be valid unless and until the Fiscal Agent or his or her designee shall have manually authenticated such Notes.

In case any officer whose signature appears on the Series C Notes shall cease to be such officer before the delivery of the Series C Notes to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Notes.

5.07 Registration, Exchange and Transfer. (a) The Depository Trust Company, New York, New York, is hereby appointed depository for the Series C Notes. The Series C Notes shall be initially issued and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York and shall be evidenced by a single

Note. Registered ownership of each Series C Note, or any portion thereof, may not thereafter be transferred except as set forth in Section 5.08(b).

(b) The Series C Notes shall be initially issued and registered as provided in Section 5.07(a) hereof. Registered ownership of the Series C Notes, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or of any substitute depository designated pursuant to clause (ii) of this subsection (B) ("Substitute Depository"); provided that any successor of Cede & Co., as nominee of The Depository Trust Company or Substitute Depository, shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any Substitute Depository not objected to by the County Executive Officer, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the County Executive Officer to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the County Executive Officer to discontinue using a depository.

(c) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (b) of this Section 5.07, upon receipt of all outstanding Series C Notes by the Fiscal Agent (together, in the case of a successor fiscal agent appointed by the County pursuant to Section 5.08 hereof, with a written request of the County Executive Officer to such successor fiscal agent designating the Substitute Depository), a single new Series C Note, which the County shall prepare or cause to be prepared, shall be executed and delivered, registered in the name of any such successor to Cede & Co. or such Substitute Depository, or their respective nominees, as the case may be, all as specified by the County Executive Officer or, in the case of a successor fiscal agent appointed by the County pursuant to Section 5.08 hereof, as specified in the written request of the County Executive Officer. In the case of any transfer pursuant to clause (iii) of subsection (b) of this Section 5.07 upon receipt of all outstanding Series C Notes by the Fiscal Agent (together, in the case of a successor fiscal agent appointed by the County pursuant to Section 5.08 hereof, with a written request of the County Executive Officer to such successor fiscal agent), new Series C Notes, which the County shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as specified by the County Executive Officer or, in the case of a successor fiscal agent appointed by the County pursuant to Section 5.08 hereof, as are requested in such written request of the County Executive Officer, subject to the limitations of Section 5.07 hereof, provided that the Fiscal Agent shall deliver such new Series C Notes as soon as practicable.

(d) The County and the Fiscal Agent shall be entitled to treat the person in whose name any Series C Note is registered as the owner thereof for all purposes of the Resolution and for purposes of payment of principal of and interest on such Series C Note, notwithstanding any notice to the contrary received by the Fiscal Agent or the County; and the County and the Fiscal Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Series C Notes. Neither the County nor the Fiscal Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including The Depository Trust Company or its successor (or Substitute Depository or its successor), except to the owner of any Series C Notes, and the Fiscal Agent may rely conclusively on its records as to the identity of the owners of the Series C Notes.

(e) Notwithstanding any other provision of this Resolution and so long as all outstanding Series C Notes are registered in the name of Cede & Co. or its registered assigns, the County and the Fiscal Agent shall cooperate with Cede & Co. or its registered assigns, as sole registered owner, in effecting payment of the principal of and interest on the Series C Notes by arranging for payment in such manner that funds for such payments are properly identified and are made available on the date they are due all in accordance with the Letter of Representations, the provisions of which the Fiscal Agent may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

(f) In the case of any transfer pursuant to clause (iii) of subsection (b) of this Section 5.07, any Series C Note may, in accordance with its terms, be transferred or exchanged for a Series C Note of like aggregate principal amount and series in authorized denominations, upon the books required to be kept by the Fiscal Agent pursuant to the provisions hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series C Note for cancellation, and, in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed and in form approved by the Fiscal Agent.

Whenever any Series C Note shall be surrendered for transfer or exchange, the County shall execute and the Fiscal Agent shall authenticate, if required, and deliver a new Series C Note or Series C Notes of the same series of authorized denominations, for a like aggregate principal amount. The Fiscal Agent shall require the owner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(g) The Fiscal Agent will keep or cause to be kept sufficient books for the registration and transfer of the Series C Notes, which shall at all times be open to inspection by the County. Upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Series C Notes as hereinbefore provided.

(h) If any Series C Note shall become mutilated, the County, at the expense of the owner of such Series C Note, shall execute, and the Fiscal Agent shall thereupon authenticate, if required, and deliver a new Series C Note of like Series, tenor and number in exchange and substitution for the Series C Note so mutilated, but only upon surrender to the

Fiscal Agent of the Series C Note so mutilated. Every mutilated Series C Note so surrendered to the Fiscal Agent shall be cancelled by it and delivered to, or upon the order of, the County. If any Series C Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County and the Fiscal Agent and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the County, at the expense of the owner, shall execute, and the Fiscal Agent shall thereupon authenticate, if required, and deliver a new Series C Note of like Series, tenor and number in lieu of and in substitution for the Series C Note so lost, destroyed or stolen (or if any such Series C Note shall have matured or shall be about to mature, instead of issuing a substitute Series C Note, the Fiscal Agent may pay the same without surrender thereof). The Fiscal Agent may require payment by the registered owner of a Series C Note of a sum not exceeding the actual cost of preparing each new Series C Note issued pursuant to this paragraph and of the expenses which may be incurred by the County and the Fiscal Agent. Any Series C Note issued under these provisions in lieu of any Series C Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the County whether or not the Series C Note so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Supplemental Resolution with all other Series C Notes issued under this Supplemental Resolution.

All Series C Notes surrendered for payment or registration of transfer, if surrendered to any person other than the Fiscal Agent, shall be delivered to the Fiscal Agent and shall be promptly cancelled by it. The County may at any time deliver to the Fiscal Agent for cancellation any Series C Notes previously authenticated and delivered hereunder which the County may have acquired in any manner whatsoever, and all Series C Notes so delivered shall promptly be cancelled by the Fiscal Agent. No Series C Note shall be authenticated in lieu of or in exchange for any Series C Notes cancelled as provided herein, except as expressly permitted hereunder. All cancelled Series C Notes held by the Fiscal Agent shall be disposed of as directed by the County.

5.08 Defeasance of Series C Notes. (a) If the County shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Outstanding Series C Notes the interest and principal thereof at the times and in the manner stipulated herein and therein, then all agreements and covenants of the County to such Holders hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied.

(b) Any Outstanding Series C Notes shall, prior to the maturity date thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section 5.08 if there shall have been deposited with the Fiscal Agent in trust either moneys in an amount which shall be sufficient, or Defeasance Securities which are not callable or subject to prepayment prior to their respective maturity dates, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Fiscal Agent at the same time, shall be sufficient (as verified by a report of an independent certified public accountant or other independent financial consultant), to pay when due the principal of and the interest to become due on said Series C Notes on the maturity date thereof. Neither the securities nor moneys deposited with the Fiscal Agent pursuant to this Section 5.08(b) nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series C Notes. The Fiscal Agent shall have

no right, title or interest in, or lien on, any moneys or securities deposited pursuant to this Section.

(c) After the payment or deemed payment of all the interest and principal of all Outstanding Series C Notes as provided in this Section and payment of any amounts then owed to the Fiscal Agent, the Fiscal Agent shall pay over or deliver to the County all moneys or securities held by it pursuant hereto which are not required for the payment of the interest and principal represented by such Series C Notes. Owners of Series C Notes shall thereafter be entitled to payments due under the Series C Notes only from amounts deposited pursuant to this Section and from no other source.

5.09 Fiscal Agent. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Fiscal Agent for the Series C Notes. The County hereby directs and authorizes the payment by the Fiscal Agent of the interest on and principal of the Series C Notes when such become due and payable. The County hereby covenants to transfer from the General Fund to the Fiscal Agent sufficient moneys to pay the principal of and interest on the Series C Notes when due.

The Fiscal Agent is also appointed as registrar and upon the request of any registered owner, is authorized to record the transfer or exchange of Series C Notes in accordance with the provisions hereof.

5.10 Official Statement for Series C Notes. The proposed form of official statement relating to the Series C Notes, in substantially the form presented to this meeting, is hereby approved with such additions, changes and corrections as the Treasurer and the County Executive Officer and their designees, jointly and severally, may from time to time approve. The Underwriters are hereby authorized to distribute such official statement in preliminary form (the "Preliminary Official Statement") to the potential purchasers of the Series C Notes and are hereby authorized and directed to deliver such official statement in final form to all purchasers of the Series C Notes. The Treasurer and the County Executive Officer and their designees are, and each of them acting alone is, authorized to certify on behalf of the County that the preliminary form of the official statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by said Rule). The Treasurer and the County Executive Officer and their designees are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the County, to sign a copy of such Official Statement in final form.

5.11 Continuing Disclosure. The County hereby agrees and covenants that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") executed by the County and dated the date of issuance and delivery of the Series C Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof, and notwithstanding any other provision hereof, failure of the County to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; provided, that any registered owner of the Series C Notes may take such actions as may be necessary and appropriate, including seeking mandate or

specific performance by court order, to cause the County to comply with its obligations under this Section.

ARTICLE VI

MISCELLANEOUS

6.01 Accounting. The Board hereby determines that earnings on amounts held in the Teeter Debt Service Fund and the Teeter Tax Loss Reserve Fund, respectively, shall be deposited in such fund or funds as shall be directed by the County Executive Officer.

6.02 Additional Actions. All actions heretofore taken by the officers and agents of the County or the Board of Supervisors with respect to the issuance and sale of the Additional Series B Notes and Series C Notes are hereby approved, confirmed and ratified, and the officers, employees and agents of the County and the Board of Supervisors are hereby authorized and directed, for and in the name and on behalf thereof, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale from time to time of the Additional Series B Notes and Series C Notes thereof in accordance with the Master Teeter Resolution and this Supplemental Resolution, including, but not limited to, entering into amendments, if any, to the Dealer Agreements, Fiscal Agent Agreement (including amendments necessary for the Fiscal Agent to serve as Fiscal Agent for the Series C Notes), Certificate Agreement, DTC Representation Letter and Reimbursement Agreement and substituting, if needed, a new Master Note or Notes for the Additional Series B Notes thereof.

6.03 Effectiveness; Master Teeter Resolution to Remain in Effect.

(a) This Supplemental Resolution shall become effective immediately upon its adoption. Except as expressly provided in this Supplemental Resolution, every term and condition contained in the Master Teeter Resolution shall apply to this Supplemental Resolution and to the additional Demand Obligation, Series B Notes and Series C Notes authorized hereby, with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Resolution.

(b) This Supplemental Resolution and all of the terms and provisions herein contained shall form part of the Master Teeter Resolution as fully and with the same effect as if all such terms and provisions had been set forth in the Master Teeter Resolution. The Master Teeter Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended and supplemented and as amended and supplemented hereby.

6.04 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the County shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and

covenants or portions thereof and shall in no way affect the validity hereof or of any of the Demand Obligations or any of the Series B Notes or Series C Notes authorized hereby , and the Holders shall retain all the benefit, protection and security afforded to them hereunder or any applicable provisions of law.

6.05 Law Governing. This Supplemental Resolution shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist.

PASSED and ADOPTED by the Board of Supervisors on September 14, 2010.

By: _____
Chairman of the Board of Supervisors

ATTEST:
Kecia Harper-Ihem,
Clerk of the Board

By: _____
Deputy Clerk

EXHIBIT A

FORM OF SERIES C NOTE

No. _____

\$ _____

COUNTY OF RIVERSIDE TEETER PLAN OBLIGATION NOTE, SERIES C

NOTE DATE	MATURITY DATE	INTEREST RATE	CUSIP
----------------------	--------------------------	--------------------------	--------------

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The County of Riverside (the "County") acknowledges itself indebted to, and for value received, hereby promises to pay from amounts on deposit in the General Fund, as defined in the Resolution No. 97-203 of the County, as amended and supplemented (the "Resolution"), to the registered owner specified above (the "Holder"), at the office of The Bank of New York Mellon Trust Company, NA, the principal amount specified above on the Maturity Date specified above, together with interest thereon at the Interest Rate per annum set forth above (computed on the basis of a 360-day year composed of twelve 30-day months) in like lawful money from the Note Date specified above until payment in full of said principal sum. The principal of and interest payable at maturity on this Note shall be payable only to the registered owner hereof upon surrender of this Note at the office of the Fiscal Agent as the same shall fall due; provided, however, that no interest shall be payable for any period after maturity during which the registered owner hereof fails to properly present this Note for payment.

This Note is one of a duly authorized issue of Teeter Plan Obligation Notes, Series C of the County issued under and pursuant to the Resolution. The Series C Notes are payable from General Fund and are not payable from, and are not secured by, Series B Taxes, the Series B Letter of Credit or Other Taxes as defined in the Resolution. By acceptance of this Note, the Holder consents to all the terms and conditions hereof, and of the Resolution, a copy of which is on file with the County.

The County may deem and treat the Holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal and interest due hereon and for all other purposes and the County shall not be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Resolution to exist, to have happened and to have been

performed precedent to and in the issuance of this Note, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the County of Riverside has caused this Note to be executed in its name by the manual or facsimile signature of its County Executive Officer and countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors, and caused its official seal or a facsimile thereof to be affixed hereto.

COUNTY OF RIVERSIDE

By _____

(SEAL)

COUNTERSIGNED:

Clerk of the Board of Supervisors

TABLE OF CONTENTS

	Page
ARTICLE I	
AUTHORITY FOR SUPPLEMENTAL RESOLUTIONS; DEFINITIONS.....	3
1.01 Authority For This Resolution.....	3
1.02 Definitions.....	3
ARTICLE II	
AUTHORIZATION OF DEMAND OBLIGATION	4
2.01 Authorization of Demand Obligation	4
ARTICLE III	
EXTENSION OF SERIES B TEETER OBLIGATION PLEDGE	4
3.01 Pledge of Series B Taxes	4
ARTICLE IV	
AUTHORIZATION AND ISSUANCE OF ADDITIONAL SERIES B NOTES	5
4.01 Authorization of Additional Series B Notes	5
4.02 Dealers	5
ARTICLE V	
AUTHORIZATION AND ISSUANCE OF ADDITIONAL SERIES C NOTES.....	5
5.01 Authorization and Issuance of Series C Teeter Plan Obligation Notes; Application of Proceeds	5
5.02 Denominations, Medium, Method and Place of Payment and Dating of Series C Notes.....	5
5.03 Sale of Notes	6
5.04 Payment of Principal of and Interest on the Notes from General Fund	6
5.05 Form of Note.....	6
5.06 Execution and Authentication of Notes	6
5.07 Registration, Exchange and Transfer	6
5.08 Defeasance of Series C Notes	9
5.09 Fiscal Agent	10
5.10 Official Statement for Series C Notes.....	10
5.11 Continuing Disclosure	10
ARTICLE VI	
MISCELLANEOUS	11
6.01 Accounting.....	11
6.02 Additional Actions	11

TABLE OF CONTENTS
(continued)

	Page
6.03 Effectiveness; Master Teeter Resolution to Remain in Effect	11
6.04 Partial Invalidity.....	11
6.05 Law Governing	12
EXHIBIT A FORM OF SERIES C NOTE	A-1